

Key Senator Tells Clinton To Explain In Congress

Kerrey Says Testimony Before Judiciary Panel Could Speed a Decision

By Brian Knowlton
International Herald Tribune

WASHINGTON — As the White House braces for the release of President Bill Clinton's videotaped grand jury testimony, a leading Democratic senator suggested Sunday that the president could speed Congress's deliberations on his fate by appearing before the House Judiciary Committee to answer questions.

"The president would be well-served to explain exactly what he did, exactly what he was thinking," said Senator John Kerrey of Massachusetts. "The

Mutual hatred fuels Clinton-Starr relationship. Page 2. • Hillary Rodham Clinton seems unruffled. • College students sympathize with Chelsea Clinton. Page 3.

nation is being ill-served by this political water torture that is taking place."

Representative Lindsey Graham of South Carolina, a Republican member of the Judiciary Committee, which is reviewing the case for impeaching the president, endorsed the idea of a presidential appearance.

And a prominent Republican senator, John Ashcroft of Missouri, agreed that such an appearance could be "a very quick way to jump-start this process."

The comments hinted at a possible way to speed resolution of the crisis over his sexual relationship with Monica Lewinsky that has bobbled the presidency and distracted the Congress.

The Judiciary Committee is now reviewing documentation provided by the independent counsel, Kenneth Starr, to determine whether any of the possible grounds of impeachment he cited — including perjury, witness tampering, obstruction of justice and abuse of power — warrants the opening of formal impeachment hearings.

But as with earlier talk of a congressional censure of Mr. Clinton, it was not clear whether the proposal might gain steam or simply deflate as anger spreads over the allegations.

Public opinion and congressional intentions are expected to be influenced, to an unpredictable degree, by the re-

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Mr. Anwar and his wife, Azizah, on Sunday at the National Mosque, where he called for Prime Minister Mahathir bin Mohamad to resign.

Malaysia Police Seize Anwar After Anti-Mahathir Protest

Demonstration Was Largest in the Capital's History

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Malaysian policemen wearing black ski masks and carrying submachine guns smashed their way into the house of Anwar Ibrahim, the country's former deputy prime minister, late Sunday night and arrested him, just hours after he had led the largest political demonstration in this city's history.

Mr. Anwar, who had been holding a press conference when the police entered, was allowed one hour to pack his clothes and consult with his lawyers before being escorted past a phalanx of policemen holding back a crowd of hundreds of angry supporters, who jeered the police and shouted "Allah Akbar" or "God is Great."

There will be further arrests, especially the movement leaders, "Kamaruddin Ali, the police chief of Kuala Lumpur, said just outside police headquarters after Mr. Anwar's arrest."

Mr. Anwar, the anointed successor before Prime Minister Mahathir bin Mohamad fired him this month, will be indicted Monday on sex-related charges, his lawyer said. In recent weeks, the police have said that Mr.

Anwar was under investigation for, among other things, corruption, sedition, treason and sexual indecency.

Mr. Anwar, 51, has spent the last two weeks addressing large crowds around the country about the need for political reform and, more recently, calling for Mr. Mahathir's resignation. He says he is the victim of a political conspiracy.

But his conviction on sex-related charges seems almost certain. Two men whom Mr. Anwar is accused of sodomizing — Mr. Anwar's adopted brother and a former speechwriter — were each sentenced to six-month prison terms Saturday. Mr. Anwar could face a much longer sentence if convicted as the initiator under the British colonial-era law. Mr. Anwar has repeatedly denied the charges. Mr. Mahathir dismissed Mr. Anwar as deputy prime minister and finance minister Sept. 2, calling him morally unfit.

The arrest of Mr. Anwar Sunday concluded an improbable day in Kuala Lumpur. It was a mix of water cannon, tear gas, policemen with bamboo poles and, by chance, the visit of Queen Elizabeth II, who is in Malaysia to officiate over the closing ceremonies of the Commonwealth Games on Monday.

The timing and proximity of the

events — the queen's visit and an afternoon rally by Mr. Anwar's supporters — was striking. The queen was present for the climax of what was one of Malaysia's most open and public political battles ever, 41 years after the country's independence from Britain.

The queen's visit started with a trip to St. Mary's church in central Kuala Lumpur. As she pulled up in a stretch Bentley to the church's white stone facade, less than a kilometer away a large crowd was congregating at the turquoise-domed National Mosque preparing to hear Mr. Anwar talk.

And as the queen sat in the first pew of the small, colonial-era church listening to readings from 1 Timothy and the Gospel of Mark and singing the hymn "Slaves of Christ," some 50,000 people at the mosque were chanting "Resign now!"

With Mr. Anwar in detention, Mr. Anwar's wife, Azizah, is expected to lead the movement that her husband has led since being leaving government. Mr. Anwar and his wife have five girls and a boy.

At the rally Sunday, Miss Azizah stood next to Mr. Anwar on the balcony

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Suharto's Wealth May All Be Legal

As Investigation Begins, Indonesian Laws Favor Ex-President

By Michael Richardson
and Philip Segal
International Herald Tribune

SINGAPORE — As official Indonesian investigators prepare to question former President Suharto for the first time this week about his wealth, experts are cautioning that any criminal wrongdoing will be hard to prove and that the tracing and recovery of money and assets will be equally difficult, especially if they are outside Indonesia.

Weaknesses and loopholes in the country's legal system and the fact that Mr. Suharto in effect ruled by decree for much of his 32 years in power — with a compliant legislature to rubber-stamp his actions — mean that all his actions are likely to be technically legal, lawyers and other specialists say.

"Before international accountants and investigators can do their work, they need clear proof that laws were

broken," said Jeffrey Winters, a political scientist at Northwestern University in Chicago and a specialist on Indonesia. "No wonder Suharto, his family members, and other cronies have the confidence to declare that they have done nothing wrong as they enriched themselves."

Even though they amassed fortunes worth billions of dollars, he said, "The sad truth is that Indonesian laws might be so weak that legally speaking, their claims of innocence could be true."

In proclaiming her father's innocence, the eldest daughter of Mr. Suharto was quoted as saying in the Indonesian daily newspaper Kompas on Saturday that as president he had always given an account of his actions at the end of each of his terms in office, as required by the constitution.

"So if he is to be questioned, what aspect does the government plan to look at?" asked the daughter, Siti Hardiyanti Rukmana.

Like Mr. Suharto's five other children, Mrs. Rukmana used her co-operations to the government to develop her business interests during Mr. Suharto's rule. So did many others in Indonesia's elite circle of power, patronage and influence, including high-ranking civilian and military officials who are still in the administration and armed forces.

Mrs. Rukmana heads the Citra Marga conglomerate, which controls toll roads in Indonesia and several other Asian countries.

Analysts say that the wealth of Mr. Suharto's family runs into billions of dollars. Some estimates go as high as \$40 billion, approaching the amount that the International Monetary Fund, drawing on loans from foreign governments and financial institutions, is pumping into the world's fourth-most-populous country to try to keep its



Suharto: A tough trail to follow.

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Socialists Win In Sweden on A Pledge of More Welfare

By Warren Hoge
New York Times Service

STOCKHOLM — Sweden's governing Social Democrats rode a pledge to increase spending on the country's huge welfare programs to victory Sunday night in national elections.

The Social Democrats won 36.6 percent, failing to achieve an absolute majority, according to official estimates from 5,504 of 6,109 polling stations. The Left party, a potential ally of the Social Democrats, won 12.1 percent, for a tally of 48.7 percent.

The Moderates, the main opposition party, polled 22.5 percent and the Christian Democrats 11.7 percent.

Although the result represented a fall-off in support for the Social Democrats, it still appeared to be sufficient to give them the power to form a center-left alliance. That would keep Prime Minister Goran Persson in office and frustrate the bid by Carl Bildt, the Moderate leader and the former international peace mediator in Bosnia, to regain the post he occupied from 1991 to 1994.

Gunnar Hökmark, the Moderates' party secretary, said he found the exit poll forecast "disturbing," adding, "It puts Sweden in a left lock that is stronger than in any other country in Europe."

Minority governments are becoming the norm in Sweden and so is the leadership of the Social Democrats, who have been in power for 57 of the last 66 years.

Mr. Persson, 49, is a former finance minister with a reputation for austere spending habits, but he won the election with an appeal to people upset with cuts made in Sweden's sweeping welfare state expenditures during an economic recovery he led.

During the campaign, he pledged increased money for health services, the elderly and day care that he said would not break spending limits because the country now had a budget surplus.

Mr. Bildt had said that he would push for tax cuts, an alluring political pro-

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Clinton on Tape: Regrets Mix With Bursts of Fury

By James Bennet
and Jill Abramson
New York Times Service

WASHINGTON — In more than four hours of testimony before the grand jury, President Bill Clinton painted a picture of himself as a concerned and even tender friend to Monica Lewinsky, according to lawyers who are familiar with the Aug. 17 proceeding.

That image is starkly at odds with that of the callous manipulator conducting an illicit affair portrayed in the impeachment report to Congress by Kenneth Starr, the independent prosecutor.

At several points in the testimony, the president expressed embarrassment and regret about the relationship, the lawyers said.

After one five-minute break in the proceedings, he told the grand jurors, "I'd give anything in the world to not admit what I had to testify to today," the lawyers said.

Such moments of remorse were mixed with flashes of fury at the prosecutors.

As one of Mr. Starr's deputies pressed him on his efforts to help Ms. Lewinsky find a job, the president lashed out, saying, "You have made this the most important issue in America."

Mr. Clinton even accused the prosecutors of impairing his memory by increasing the already considerable pressure on him over the previous four years, they said.

At another point, the president de-

livered what one lawyer called a "diatribe" in which he criticized the prosecutors for swooping down on Ms. Lewinsky upon learning of their relationship.

"Monica was kept by five of your lawyers and five of your FBI agents," he said, according to a lawyer.

On Monday, when the videotape of Mr. Clinton's testimony is to be made public, people will see a more complex president than the one in Mr. Starr's report. Mr. Clinton's allies and friends have argued.

While Mr. Starr's report drew on many sources, particularly on Ms. Lewinsky's testimony, to chronicle painstakingly what the independent counsel says are impeachable acts, it did not describe in detail the president's justifications for his actions.

The New York Times was not provided with a transcript or videotape of the president's testimony in advance of the public release of the material.

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Camilla Carr and Jon James, flying to Britain after captivity in Chechnya, pausing in Moscow on Sunday.

2 Britons Freed in Chechnya

MOSCOW (Reuters) — Two British aid workers, abducted in the breakaway Russian region of Chechnya, were freed Sunday after more than a year in captivity.

Camilla Carr and Jon James, who appeared in good health after their ordeal, made a short stop in Moscow on their way to Britain.

"It's so wonderful to be free," Miss Carr said at a news conference at Sheremetyevo Airport. "I am thankful for all who made it possible for us to see the sky and trees and to be with family and friends."

AGENDA

Scores Are Reported Killed In Rocket Attacks on Kabul

KABUL (AP) — The Taleban-run news agency reported Sunday that scores were killed when rockets slammed into residential areas of Kabul, the Afghan capital. Other sources reported lower casualty figures.

The second of two rocket assaults occurred late in the day, and an evening curfew in Kabul made it difficult to get details. Radio Shariat, the Taleban-run radio, said that rockets killed 16 people.

Taleban officials issued a warning to its northern-based opposition, whom it blamed for the attacks. It threatened bombing raids by Taleban aircraft on opposition bases.

No one took immediate responsibility for the rocket assaults, but anti-Taleban alliance soldiers arrayed north of the Afghan capital were within rocket range of the city.

It had been months since the last rocket attack hit civilians areas of Kabul, a city that has slowly grown more peaceful in the nearly two years since the hard-line Taleban seized the city and imposed its harsh Islamic rule.

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After the Big Push to Globalize Capital Markets, Second Thoughts

Did the U.S. Treasury Campaign Go Too Far, Too Fast?

By Nicholas D. Kristof
New York Times Service

TOKYO — They were the world's richest and shrewdest investors, and they rode a wave of globalization to buy bonds in a promising developing country. When the country defaulted, they were livid.

"There should be lunatic asylums for nations as well as individuals," one investor wrote in The London Morning Post, denouncing the defaulting country as "a nation with whom no contracts can be made."

It all sounds a bit familiar, but the year was 1842 and the developing country was the United States. After defaults by Maryland, Pennsylvania, Mississippi and Louisiana, the entire United States was blacklisted and seemed on global markets, with Americans barred from the best London clubs and the Rothschilds warning bitterly that America would be unable to "borrow a dollar, not a dollar."

Globalization, in other words, may not be quite as fresh as it sometimes seems. Since at least the 14th century, when Florentine merchants lent to the English to pay for King Edward I's wars, international capital has roamed the world in search of high returns. (The start was inauspicious: England defaulted, causing the collapse of two Florentine banks.)

What has changed, economists say, is the scale of the capital flows and their ability to capsize small nations — or even large ones. Many experts say that behind the economic crisis that has devastated Asia and Russia, wobbled South America, and now seems knocking on America's door is the fantastic increase in the pool of capital that sloshes from one country to the next in search of safety and profit.

The sums are so gargantuan — far greater than the amounts that governments can wield — that a

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A Desperate Scramble to Pull Brazil From the Brink

By Paul Blustein
Washington Post Service

WASHINGTON — "The Rubicon" is what William Rhodes, vice chairman of Citicorp, calls Brazil.

It is a metaphor that dramatizes an intensive effort under way to keep the global financial crisis from inundating the Brazilian economy — which has suffered an alarming outflow of funds this month — and rampaging through the rest of Latin America.

For officials of the Clinton administration and the International Monetary Fund, who are leading the defensive stand, what is at stake is whether the crisis can finally be beaten back — or whether it will explode with more destructive fury than ever.

Few steps are being left untried by the forces seeking to shield the Latin economies from the selling panics that have overwhelmed stock and currency markets in Asia and Russia.

The IMF, despite being financially strapped

after committing tens of billions of dollars for bailouts in Asia, has declared its willingness to support deserving Latin governments with its available cash reserves, which the Fund puts at about \$9 billion. To pack additional punch behind that offer, the United States and other governments said last week that they stand ready to provide \$15

Betting is running high among analysts that Brazil will need an IMF rescue. Page 16.

billions more to the IMF through an emergency line of credit.

The World Bank, which normally lends only for specific purposes, such as road construction or health care, has pledged to be a "significant contributor in any international package" for Brazil. A major organization of international banks said

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Quote

Investigating the President / Some Love Left?



Hillary Clinton wants to give examples of 'resilience and hope.'

Seemingly Unruffled and Focused, Hillary Clinton Carries On

By Kevin Merida
Washington Post Service

WASHINGTON — It's nearly 2:30 P.M. on Dark Friday, and her eyes seem heavy from stress and sleeplessness. In little more than an hour, Kenneth Starr's graphic account of her husband's affair with Monica Lewinsky will hit the Internet. And then Hillary Rodham Clinton will be transformed again into that creature she loathes: the wronged first lady who must weather another public analysis of her marriage.

It will be the most searing inspection of her 23-year partnership with Bill Clinton. She may dread the impending Starr revelations, but showing it is not in her nature.

Not a hint of aggravation or anger creases her face. No open wound to probe. Just a smiling, waving, poised diva is all we see.

There's a limit to what can be learned from body language, but for everyone except her very closest friends, that's all Hillary Clinton gives the world to work with.

Backstage in a half-filled auditorium at the National 4-H Center in Maryland, James Walker was thinking the first lady looked "somewhat tense." But, he later recalled, "she seemed to focus once she got up there on stage."

Mr. Walker, a nationally known consultant to youth service agencies, marveled at how the first lady suddenly came alive amid the cheers of teenagers from foster care and homeless backgrounds who had gathered from across the country for a leadership conference.

"I think there's a lot you can help teach Americans about resilience and hope and grit and determination," she told the young people. And before she could wade into the crowd to hug them and pose

for photos, many sensed she could easily have been talking about herself.

"Those kids were so important to her," said Melanne Verwee, the first lady's chief of staff. "She said, 'There's no way I'm not doing that.' There was never a thought of not doing that event."

Even on Dark Friday.

In the days since the world has learned the seamy particulars of her husband's dalliances with a White House intern, and more was scheduled to emerge Monday, Hillary Clinton has projected the image of an unruffled woman carrying on: honoring a civil rights pioneer, dedicating the new Peace Corps building, rallying Democratic women on Capitol Hill, highlighting the importance of arts education.

She has kept such a vigorous schedule — 18 events since the morning of Sept. 11 — there has been no need to wonder: Where's Hillary?

On Monday, she's with the president in New York for a conference on strengthening democracy in the global economy, and later in the week it's off to campaign for Democratic candidates out West. However she feels about her husband and his treatment of her, she has made a conscious decision to keep those thoughts sealed. If she is aching badly, and those who have spoken to her suggest she is, Mrs. Clinton is resisting the role of martyr. She does not want the pity.

Part of this is her natural inclination to fight rather than fold. Her critics often seize on this aspect of her personality when issuing their harsh assessments. They see her as a cold, calculating political animal whose partisan edge is much sharper than her husband's.

In January, for instance, she went on national television to defend Mr. Clinton against allegations of infidelity and

blamed his predicament on a "politically motivated" prosecutor allied with a "vast right-wing conspiracy."

Even after the president was forced to admit he had lied about his relationship with Ms. Lewinsky, Mrs. Clinton was among those in the White House who encouraged him to challenge Mr. Starr's motivations in his televised apology. This strategy only deepened Mr. Clinton's woes, drawing criticism across party lines that he had not been sufficiently remorseful.

While Mr. Clinton later admitted he had blundered, the first lady has not retreated.

"She is a very directed person," a confidant said. "Her father always had the view: 'Get back up on the horse. If they knock you down, get up.'"

"She's a very complicated person," said someone else who has spent considerable time with her.

She is more mysterious than her husband because she shows her hand less often — which is why it is nearly impossible to gauge whether her mood now is closer to rage or reconciliation.

"I think that is true and intentional," said Mandy Grunwald, a friend and Democratic consultant. "The tougher things get in terms of the public scrutiny of her marriage, I think that will make her more and more private about her feelings and her family. And as curious as the country is about how she's feeling and what does she say to him at night and how's Chelsea, I think all of these things will go unanswered."

It is difficult to assess anyone's state of mind, for the mind is a private domain. What Mrs. Clinton has been telling friends about her inner state is that coping with her husband's latest infidelity "is extremely difficult and very painful," said Lisa Caputo, her former press secretary, but that "she is, however, a believer in the vows of marriage. And that's an important context to have."

If that is one context in which to consider the survivability of the Clintons' marriage, another one is this: Over the past quarter-century her dreams have been his dreams, her career buckled to theirs. This has given rise to the notion that theirs is a marriage of pragmatism and convenience. In a sense, to leave him would be to leave herself.

"I think she takes 'for better or for worse' seriously," Ms. Grunwald said, "and she knows she has plenty of each."

VIDEO: A Mixture of Regrets and Fury

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which was approved by a House Judiciary Committee vote Friday. This account is based on descriptions provided by lawyers with detailed knowledge of the proceedings.

Mr. Clinton's friends, advisers and supporters on Capitol Hill have repeatedly argued that Mr. Starr's report did not fully present Mr. Clinton's side of the story. "The referral itself is an extremely one-sided and unfair document," said a Clinton ally, speaking on condition of anonymity. "It does not fairly reflect the president's testimony, and the only purpose of the excessive graphic detail is to harm the president."

Mr. Starr's supporters have argued that he was forced to include such graphic detail. They say it was necessary to prove that Mr. Clinton lied when he denied having "sexual relations" with Ms. Lewinsky, in a deposition Jan. 17 in the Paula Jones sexual misconduct lawsuit, and because he refused to answer in detail their questions in his grand jury testimony last month.

Mr. Clinton began his grand jury testimony Aug. 17 at 1:03 P.M. in the Map Room of the White House. In a high-backed chair, the president sat facing three lawyers from his team, with Mr. Starr and a row of prosecutors to his right and a lecturer and a camera in front of him.

As four prosecutors took turns questioning him under oath, Mr. Clinton was

at times evasive, angry, cajoling and even philosophical, the lawyers said.

At one point, he said he believed that both Clarence Thomas and Anita Hill thought they were telling the truth before the Senate Judiciary Committee in 1991 during their confrontation over her accusations of sexual harassment.

"This is the most mysterious area of human life," the president told the grand jury, the lawyers said. From the Federal Courthouse a few blocks away, the grand jurors were watching Mr. Clinton live on a closed-circuit transmission.

The president then extended a rare olive branch to Mr. Starr and his team, thanking them for having provided broad immunity from prosecution to Ms. Lewinsky and her mother, Marcia Lewis.

Referring to Ms. Lewinsky, he added, "It breaks my heart that she was involved in this," the lawyers said.

But many of the exchanges with prosecutors may prove embarrassing to Mr. Clinton as they are shown and reshown over television in coming days, his advisers believe.

One such exchange came at the beginning of the testimony, when Robert Bittman, a member of Mr. Starr's team, spent about seven minutes questioning Mr. Clinton about whether he understood the meaning of the oath he had taken to tell "the whole truth."

As Mr. Bittman repeatedly pressed him, Mr. Clinton skirted some of the questions, the lawyers said without providing more details.

Almost immediately after that exchange, Mr. Bittman asked the president if he had been intimate with Ms. Lewinsky, the lawyers said. Mr. Clinton responded by reading a statement that he had "inappropriate intimate contact" with Ms. Lewinsky "on certain occasions in early 1996 and once in early 1997."

"I regret that what began as a friendship came to include this conduct," Mr. Clinton said, according to a copy of the statement that was provided to the New York Times. "And I take full responsibility for my actions."

Later, Mr. Clinton repeatedly rebuffed questions about the details of his sexual encounters with Ms. Lewinsky, referring back to the prepared statement.

The president denied trying to influence the testimony of his secretary, Betty Currie, in conversations that he had with her shortly after his deposition in the Jones case, the lawyers said.

He characterized those talks as efforts to warn Mrs. Currie of an impending media frenzy over his dealings with Ms. Lewinsky and an effort to find out from her why the Jones lawyers had asked him so many questions about the former intern.

Mr. Clinton described his efforts to help Ms. Lewinsky find a job not as attempts to win her silence but rather as sincere efforts to help an anxious friend. "I wanted to help her get on with her life," the lawyers quoted him as saying. If he was trying to keep her in his camp, Mr. Clinton testified, he could have ordered that she be hired at the White House, a step he did not take despite her repeated pleas.

Mr. Clinton also pointed out that he had tried to keep Ms. Lewinsky at arm's length after ending the relationship in early 1997. "When I did the right thing and made it so, she felt a greater need to cling," the lawyers quoted him as saying.

At the beginning and end of the testimony, which concluded at 5:55 P.M., Mr. Clinton and the prosecutors made a show of handshaking and cordiality. But the anger in the Map Room was palpable, the lawyers said.



Mr. and Mrs. Clinton speaking with clergy members on Sunday in Washington after attending a church service.

Collegians' Sympathies Go With the 'Cool' Clinton

By Lynda Gorov
and Greta Anand
The Boston Globe

LOS ANGELES — Mortified is the word they use most often, trailed closely by "humiliated" and just plain "grossed out."

That was how scores of college students on both coasts said they would feel if their fathers had been caught having an adulterous affair with a woman about their own age. Having every detail made public would be the worst.

As Andrea Sica, 19, a crew-team member at the College of the Holy Cross in Worcester, Massachusetts, put it, "I can't imagine my parents having sex, never mind the whole country knowing your father did and with someone your own age."

Not surprisingly, the students' sympathies were out with Hillary Clinton or

with the president himself. Their sympathies were with the Clinton they can relate to: Chelsea.

"I always think about her when I hear about it," said Laura Garvey, 19. "It makes it even worse that it could have been one of your friends. It's just gross."

"When I see her smiling and holding her parents' hands, I wonder what she's thinking," the Holy Cross sophomore said.

Echoing the respect for Miss Clinton expressed by many students, Tim Bradley, 20, a junior at the University of California in Los Angeles, said, "She can handle it all right."

Chelsea Clinton continues to demonstrate a grace that her peers said would elude them in similar circumstances.

"She was trained by her parents to live a political life, so maybe she can handle this better than someone else," said Sofia Carino, a 20-year-old eco-

nomics major at UCLA. "But how can you train someone to deal with a situation like this?"

Eileen Donnelly, 19, a sophomore at Holy Cross, said, "Because we're her age, we think of her more than anyone. She must be really embarrassed about the whole thing. To go from being really proud of your father because he's president to feeling uncomfortable going across campus, I can't imagine it."

Students at both Holy Cross and UCLA pointed out that they had in many ways grown up with Miss Clinton, now a sophomore at Stanford University in Palo Alto, California. They knew she was smart, had a swimmer for a boyfriend, invited friends for White House sleepovers. Paying her a high compliment, many called her "cool."

They also called her unlucky. Several students said they had heard rumors that she was thinking of dropping

out of school — which they urged she not do — or taking a semester off.

"If she's strong, which I think she is, she should stay," said Dana Lazarevic, a senior studying neuroscience at UCLA.

Most students said they had read at least portions of the report by the independent counsel, Kenneth Starr. But they were divided over whether Miss Clinton should do the same.

David Swanson, 21, a UCLA math major, said, "I'd want to hear about it from him first. I'd expect him to talk to me about it and to be honest, even if he was the president."

Most students interviewed, particularly those whose parents had divorced, said they assumed Miss Clinton was furious with her father and taking sides with her mother privately.

Still, many said they would be able to forgive. None said they would forget.

Blacks Hail Clinton At Washington Fete

WASHINGTON — President Bill Clinton waded into friendly territory over the weekend before thousands of African-American leaders and activists as he braced for what could be a major embarrassment Monday with the release of his videotaped grand jury testimony in the Monica Lewinsky sex and perjury case.

The president, along with Vice President Al Gore, received a rousing standing ovation Saturday night as he entered the ballroom in the Washington Convention Center for the Congressional Black Caucus dinner. Scores of people lined up to embrace him and offer encouragement. And Mr. Clinton, who has appeared drawn and tentative in some of his most recent outings, appeared invigorated by the response.

Looking up from his prepared speech, he thanked the caucus and black America for "standing up for me and understanding the true meaning of repentance and atonement."

He never directly mentioned Ms. Lewinsky or the independent counsel, Kenneth Starr, whose report to Congress could lead to an impeachment inquiry. Nor did he apologize and ask for forgiveness as he had done several times in recent weeks.

But clearly, the vast majority of the 5,000 or so people on hand were on his side. (WP)

Republicans Foresee Victory in Hawaii

HONOLULU — Republicans in Hawaii are feeling confident they can take the governor's office for the first time in 36 years after a strong primary victory Saturday by the Maui mayor, Linda Lingle.

Ms. Lingle soundly beat the five-time Honolulu mayor, Frank Fasi, advancing to a general election showdown with the Democrat governor, Ben Cayetano, who had no serious primary challengers.

The state's economy has shown little growth since 1991. Tourism is down, and bankruptcies are at an all-time high. In this setting, Republicans maintain they will win back the governor's mansion. (AP)

Quote/Unquote

Chancellor Helmut Kohl of Germany, in an interview in Die Welt, saying it was not up to him to pass judgment on President Bill Clinton: "But the way the world's public is following the most private details in the Internet with a hypocritical craving, that makes me want to throw up, and I'm using that expression quite deliberately. It's bad that the most important power in the world is taking part in a domestic discussion as if there were nothing dramatic going on in the world." (Reuters)

AMERICAN TOPICS

It's Hopping in Harlem and on Beale

A Harlem renaissance is under way, and not just in Harlem.

In the historically black New York neighborhood, what was a trickle of young black lawyers, doctors, professors and bankers moving back to the legendary district has become a flood. Meanwhile, in Memphis, Tennessee, the long-deflated Beale Street district has seen its rubble replaced by neon-covered buildings, its streets again filled with nightlife, its long-stilled jazz nightspots again hopping.

In Harlem, black professionals are snatching up and restoring brownstone buildings, drawn in part by falling crime rates, relatively low housing prices and striking architecture. "You can basically get housing for 30 to 40 percent of what you'd pay 25 blocks away," Darren Walker, a neighborhood developer, told The New York Times.

In Memphis, the Beale Street revival was largely sparked by the work of one man, John Elkington, also a developer. In an approach he has applied in other

cities, Mr. Elkington works with city officials, preservationists and investors to turn historic but declining neighborhoods into low-crime, high-excitement entertainment districts, where locals, conventioners and tourists dine, visit or play.

But some African-Americans say that Mr. Elkington, who is white, has created districts they do not recognize. The faces in Beale Street are now more white than black. While 40 percent of new businesses are owned by blacks, white-owned ventures, including a Hard Rock Cafe, dominate.

Ernest Withers, a retired Beale Street photographer, is philosophical about the changes. "I'm old enough and wise enough to know that nothing lasts forever," he told the Los Angeles Times. "The street's not what it was. It's something else now, and you just got to take it as it is."

Short Takes

Health researchers are finding that the lessons they learn by studying top athletes can help improve life for the elderly. Contradicting long-held belief, scientists at Tufts University and other schools have found that the elderly can reverse the muscle loss that begins after age 30, if they use a sufficiently intense program of weight or resistance training. The Chronicle of Higher Education reports. "Up to the age of 100, we could double, triple or quadruple muscle strength and significantly increase muscle size," said

William Evans, professor of geriatrics at the University of Arkansas. The findings are important, and not just for looking good around the senior citizens center. Among older people who undertook such exercise, the rate of falls decreased.

Riverboat gambling is a fast-growing business in Louisiana. In Bossier City, the Horseshoe Casino riverboat has an imposing 26-story hotel tower, across the interstate, crews are building a 200-room hotel at Casino Magic and a 300-room hotel at the Isle of Capri. Across the Red River in Shreveport, Harrah's Casino is planning a 400-room hotel, and Hollywood Casino Corp. plans a \$185 million casino complex, anchored by a 400-room luxury hotel. The four riverboats in the area bring in \$50 million a month in gaming revenues.

While binge drinking has become a pressing issue on many U.S. campuses and some have banned alcohol, the haggling between students and administrators at Duke University has been over the price of beer. The school requires students who want to stage beer-keg parties to buy the beer from the university. But a proposal to raise the per-keg premium from \$10 over wholesale price to \$50 brought sharp complaints. Administrators finally agreed to halve the increase.

Brian Knowlton

Away From Politics

Miss America 1999 is a 24-year-old diabetic who wears an insulin pump on her hip. Nicole Johnson, formerly Miss Virginia, was crowned in Atlantic City, New Jersey. She is a writer and producer for the Christian Broadcasting Network's "700 Club" and sang "Tha's Life" for her talent offering. (AP)

Half the cocaine in America comes from Mexico, but U.S. border inspectors, who searched more than a million commercial trucks and rail cars last year, found it on only six occasions, said Brian McCaffrey, the White House director of drug-control policy. (NYT)

To save the largest private stand of ancient redwoods in the world, Governor Pete Wilson signed over \$250 million in California state funds to help buy the Headwaters Forest, sparing it from the logger's ax. U.S. taxpayers will pick up the rest of the \$500 million tab. (AP)

Three armed bank robbers led scores of police officers on a high-speed chase from Baltimore to the highway that encircles Washington, throwing cash from their car and losing their pursuers. (WP)

ASIA/PACIFIC

'We Are Trying,' Obuchi Assures

Only Untested Remedy for Economy Is 'Wartime Spending'

By Kevin Sullivan
and Mary Jordan
Washington Post Service

TOKYO — Prime Minister Keizo Obuchi says Japan has already taken every measure to pull itself out of recession short of a "wartime economy" of massive military spending increases.

On the eve of his departure for New York, where he will hold his first summit meeting with President Bill Clinton on Tuesday, Mr. Obuchi said in an interview on Saturday that Japan was already slicing interest rates, cutting taxes and pumping billions of dollars into the economy to try to reverse its decline.

Perhaps the only "remedy" left, he said, would be to build up a "wartime economy" with increased defense spending leading the way to new jobs and industrial growth. Mr. Obuchi said he would never consider that option, but he raised the subject and discussed it at length in an hour-long interview at his residence, his first with Western reporters since he took office on July 30.

By mentioning military spending, Mr. Obuchi may have been sending a message to officials in the United States and Asia who have been harshly critical of Japan's response to its economic crisis. Mr. Obuchi noted that the U.S. recovery from the Great Depression was spurred in part by jobs created by the defense industry gearing up for World War II and that the United States remains the world's major exporter of weapons. Mr. Obuchi said that option is not available to Japan, which has interpreted its constitution, written by U.S. officials during the post-war occupation, to mean that all weapons exports should be banned.

Mr. Obuchi, who left Tokyo on Sunday, will deliver a speech at the UN General Assembly on Monday and later meet with Kofi Annan, the UN secretary-general.

The summit Tuesday between the leaders of the world's two largest economies comes at a time of great

frustration and friction between Tokyo and Washington. Mr. Obuchi said allies such as France have been offering "encouragement" to Japan in its hour of need, while the United States offers "not encouragement but advice." U.S. officials have strongly pressed Japan to stimulate its economy with tax cuts and take aggressive steps to clean up an ailing banking system.

Because Japan accounts for 70 percent of Asia's economy, it has been blamed by its neighbors for failing to stop the region's economic tailspin. But the last thing that Japan's neighbors want is a Japanese military buildup. By even mentioning the idea, Mr. Obuchi may have been showing his frustration with the barrage of criticism leveled at Japan

'I am very strongly aware of our responsibility as the second-largest economy,' he said.

for its handling of the economy.

"We want to make it very clear that we have no intention of resorting" to military spending increases, he said, "and we are strongly determined to restore the economy without it."

Mr. Obuchi was relaxed and often spoke in English during the interview, and he was far more engaging than his public image as a wooden and bland political hack.

Mr. Obuchi said the Monica Lewinsky sex scandal would have "no influence at all" on Japan's dealings with Mr. Clinton or the United States.

"What affects us, what is relevant, are the policies he is making as president," Mr. Obuchi said. "That is what counts."

Mr. Obuchi said that the private behavior of Japanese politicians has come under increasing scrutiny in recent years. But, he said jokingly, even the scandal-happy Japanese tabloid-style magazines have been unable to unearth any sex scandals in his past.

"I don't mean to pretend I am a

saint-like person without any desire to engage in free love, but at the moment, all of my mental and physical energy — my brain, my body, everything — is taken up with this tremendous task of reviving the Japanese economy," he said.

The Tuesday summit, which comes at a critical time of global financial turmoil, will be a chat between the wounded and the weak: Mr. Clinton, battered and distracted by the Lewinsky matter, and Mr. Obuchi, whose government has the lowest approval ratings in years.

Mr. Obuchi was clearly relieved that he will not have to go empty-handed to New York.

On Friday night, Mr. Obuchi's ruling Liberal Democratic Party and key opposition parties agreed on the outlines of a plan to address Japan's single biggest economic problem — its teetering banking industry, which is crippled by as much as \$1 trillion in bad loans. U.S. officials have been urging Japan to come up with a plan for months, and Mr. Obuchi wanted to have something in hand before meeting with Mr. Clinton on Tuesday.

While the banking plan leaves many key issues unsettled, it is Japan's first concrete stab at fixing a problem that many analysts say has been a major source of global economic jitters.

"We have made the first step, and it is symbolic," Mr. Obuchi said. "Now we see the resolution of this major issue that will lead to the stabilization of the financial system of this country."

Although many in the Japanese government have complained that foreigners — especially the U.S. Treasury secretary, Robert Rubin — have unfairly laid too much blame for the world's financial woes at Japan's feet, Mr. Obuchi squarely accepted Japan's responsibility for creating turmoil beyond its shores.

"I am very strongly aware of our responsibility as the second-largest economy in the world," he said.

"Maybe there are aspects we should reflect upon about the timing



Mr. Obuchi leaving Tokyo on Sunday for a U.S. summit meeting.

of various economic policies," he said, "but we are trying our best to put our economy back on track."

Still, critics say that coming up with a banking reform plan now, after months of global economic turmoil caused in part by fears about Japan, is about as timely as warning people now to avoid traveling on the Titanic.

"The feeling is deeply rooted in Washington that Japan has let us down on a matter of extreme importance," a U.S. official said. The official said Japan's hesitation to take measures to fix its economy has cost Japan and Mr. Obuchi credibility among international leaders and investors. "There is no question they have marginalized themselves."

Mr. Obuchi shrugged off the international criticism, saying that, if anything, his government was thinking "too big, too fast." He recited a list of personal and corporate tax cuts and billions of dollars in government spending enacted in recent months, and noted that in the 51 days since he took office, he has "drastically" intensified reform efforts.

"If there is a perception that we are not doing enough, what else should we do?" he asked.

"We do not hear any specific proposals, per se," he said. "I would like to publicly ask the international community, economists, market operators and others to come up with ideas and let us know."

BRIEFLY

Hopes Fade for Ferry's Missing

NAIC, Philippines — Hopes of finding alive more than 100 people still missing after a ferry sank in a storm faded Sunday as rescue boats found only bodies.

The ferry, the *Princess of the Orient*, sank Friday in about 60 fathoms (360 feet) of water off Fortune Island, about 65 kilometers (40 miles) south of Manila.

The coast guard said that at least 311 passengers and crew members, out of the 454 people aboard, survived. The 24-year-old ferry, built in Japan and one of the Philippines' biggest ferries, capsized after it was pummeled by winds and rains induced by the tropical storm designated Vicki. (Reuters)

Clinton's Visit Looks Unlikely

WASHINGTON — President Bill Clinton will probably postpone traveling to India and Pakistan because both countries tested nuclear devices in May and have shown little inclination to defuse their arms race, officials with knowledge of plans for the trip said.

A presidential trip to South Asia remains on hold, the White House said in response to speculation that the trip, which had been planned for mid-November, was virtually certain to be put off.

A State Department official said that he, too, understood the visit had been indefinitely postponed.

In May, India exploded up to five nuclear devices and the United States imposed sanctions, warning Pakistan not to respond with tests of its own. But at the end of that month the Pakistanis conducted nuclear tests, and the United States imposed sanctions on Pakistan, too.

The White House is not expected to announce a final decision until after Mr. Clinton meets with Prime Minister Mian Nawaz Sharif of Pakistan this week at the United Nations, but there is a growing consensus among Clinton advisers that not enough can be accomplished to make the trip to South Asia worthwhile. (NTT)

Warning on Indonesian Unrest

BOMBAY — An Indonesian opposition leader, Megawati Sukarnoputri, says her country could experience a fresh bout of violence if the government delays its plan to hold elections or tries to keep her from running for president.

She was in Bombay to receive an award for outstanding contributions to international understanding given by a social service organization.

Mrs. Megawati, daughter of Indonesia's first president, Sukarno, was ousted two years ago as leader of a party in a move backed by the government.

She said that her supporters, especially students, would occupy Parliament if the government failed to recognize her faction before Nov. 10, when elections are due to be scheduled. (Reuters)

As Yeltsin's Power Becomes Larger

By Celestine Siedel

MOSCOW — Boris Yeltsin's power in public life has grown since he took office in July 1996, and his popularity has risen.

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EUROPE

As Yeltsin's Powers Ebb, Role Becomes Largely Ceremonial

By Celestine Bohlen
New York Times Service

MOSCOW — President Boris Yeltsin made a rare appearance in public last week at a gala concert at the Moscow Conservatory. At least, he was there for the start of a performance by the Russian cellist Mstislav Rostropovich and Seiji Ozawa, the Boston Symphony's conductor.

By intermission, he was gone.

As the new prime minister, Yevgeny Primakov, struggled to patch together a coalition cabinet last week, Mr. Yeltsin's involvement in the affairs of his crisis-ridden country has provided the background noise, audible enough but increasingly distant.

In an eerie sequence reminiscent of the stylized protocol of Soviet times, television news broadcasts show him in his Kremlin office, ushering a visitor to a table where the cameras silently track opening remarks. The next news item shows an identical scene, with a different guest. The images only support the growing impression that the once-powerful president, weakened by crisis and poor health, has been sidelined to a largely ceremonial role.

News agencies report his telephone conversations with world leaders and his decrees on ministerial appointments. But Mr. Primakov, the artful diplomat, is clearly making the choices that will define Russia's future course, as he sifts through opposing politi-

cal factions in the difficult search for consensus.

How Mr. Yeltsin will figure into that consensus is no longer relevant: His views on Russia's economic policies have been washed over by events that have left him isolated, and humbled.

For the first time in a career that capitalized on conflicts, Mr. Yeltsin backed away from a certain showdown with the parliamentary opposition over the nomination of Viktor Chernomyrdin as prime minister. In Russia's play-for-keeps politics, a compromise — in this case, the nomination of Mr. Primakov — carries with it the faint aroma of defeat.

Today, very little remains of President Yeltsin's clout. Natalia Konstantinova wrote in the independent newspaper last week. Even Boris Beresovsky, the Russian tycoon and master intriguer said to have close ties to the president's family, told British television last week that Mr. Yeltsin's time had run out.

Instead of statements of policy, or words of reassurance, the Kremlin has been the source of tales of shadowy intrigue and petty power plays in the last week.

Soon after Mr. Primakov's nomination was confirmed, two top Kremlin aides — Andrei Kokoshin, secretary of the National Security Council, and Sergei Yastrzhembskiy, Mr. Yeltsin's top press spokesman — were summarily dismissed, reportedly for disloyalty to the president.

Neither has been available

to provide his version of events, but according to press reports and people who know the details, their transgressions consisted of going directly to Mr. Yeltsin with unsolicited advice on how to get Parliament to confirm a new prime minister.

They reportedly argued that the situation was too volatile to contain a conflict between the president and the Parliament and urged Mr. Yeltsin to drop Mr. Chernomyrdin for a compromise candidate. According to one version, they pushed the candidacy of the mayor of Moscow, Yuri Luzhkov; according to another, they were advocating anyone but Mr. Chernomyrdin.

By picking Mr. Primakov, Mr. Yeltsin would seem to have heeded their advice.

"It is a paradox, but it is in the tradition of Russian paradoxes," said Pavel Voschakov, a journalist who is also one of Mr. Yeltsin's former press secretaries. "When servants come to their master with unwelcome advice with which he is obliged to agree, he accepts it grudgingly and resentfully."

Although the dismissal of the two highly respected advisers was undoubtedly ordered by Mr. Yeltsin, it was pushed by his chief of staff, Valentin Yumashev, a former journalist who became Mr. Yeltsin's top aide and gatekeeper after he helped write Mr. Yeltsin's book, "The Struggle for Russia."

According to press reports, Mr. Yumashev and his close ally, Mr. Yeltsin's daughter and adviser Tatiana Dyachenko, had pressed the president to stand firm against the Parliament. In the end, they were overruled, but eventually took their revenge.

Mr. Kokoshin and Mr. Yastrzhembskiy had acted without informing Mr. Yumashev, who then preferred to insist on their dismissal "rather than undermine his power and ability to control the president," said Vyacheslav Nikonov, director of the Politika Fund, a Moscow research organization.



PROSIT! — Tourists and locals observing Oktoberfest on Sunday in Munich.

U.S. Widening Aid to Russia

Program Aims to Retrain Nuclear Weapon Scientists

By Walter Pincus
Washington Post Service

WASHINGTON — Against the background of the Russian government's plans to cut 45,000 jobs and warhead production in its massive nuclear weapons complex, Energy Secretary Bill Richardson is preparing to sign a new agreement Monday in Vienna for U.S. aid to help the displaced Russian scientists move into civilian occupations.

A House-Senate conference panel last week approved \$20 million for the program. Initiatives for Proliferation Prevention, as part of the fiscal 1999 Defense Authorization Bill. Also called the "nuclear cities" program, it will provide seed money "to move scientists into commercial roles," according to Rose Gottemoeller, director of the Office of Nonproliferation and National Security in the Department of Energy.

The underlying purpose of the program "is to prevent a brain drain to Iran, Iraq or North Korea," according to Steve Younger, associate director of Los Alamos National Laboratory, who ran earlier versions of the program from 1992 to 1996.

Russian nuclear weapons workers have suffered from the country's economic decline, waiting months for paychecks and enduring a severe drop in their standard of living. But since the end of the Cold War, Russia has continued developing and producing warheads despite agreements to reduce strategic weapons and end the production of tactical weapons.

Unlike U.S. nuclear warheads, which are constructed with high technology and designed to last for decades, Russian warheads have a reliable lifetime of 10 years. "They work on a 10-year cycle," one intelligence official said recently, "and they have never stopped production."

The roughly 1.5 million employees involved in Russian nuclear weapons development and production work in facilities in 10 specially constructed cities, closed to foreigners, and 25 other sites spread across the country. Most of the closed cities remain secret, not indicated on maps.

Arzamas-16, which is 400 kilometers (250 miles) east of Moscow, was once the small town of Sarov, known for its monastery and pure water that was supposed to have healing powers. Today, it is a city of 80,000.

Last February, the then-head of the Ministry of Atomic Energy, Viktor Mikhailov, announced the first planned cutbacks in the nuclear weapons complex scheduled to take place over two to three years. It would include the shutdown of two of four weapons production facilities, including one at Arzamas-16 that involves 10,000 jobs, according to Ms. Gottemoeller.

The initial "nuclear cities" program contracts were signed in 1994 with \$35 million in funding and projects worked out under existing laboratory-to-laboratory agreements.

According to the Department of Energy, more than 3,000 weapons scientists, engineers and technicians have been involved in 375 projects funded by the project.

German Vote Turns Into a Cliff-Hanger

No 'Grand Coalition,' Kohl Insists

The Associated Press

BERLIN — With polls showing the two main parties running close to even a week before the national vote, Chancellor Helmut Kohl again ruled out a postelection "grand coalition" between the two, while his rival, Gerhard Schröder, left the door open.

The respected Ernid polling institute, which is independent, said it appeared that neither Mr. Kohl's conservative Christian Democrats nor Mr. Schröder's left-leaning Social Democrats would end up far enough ahead to be able to form a workable government with the small parties.

That makes a "grand coalition" of the two big parties — something not seen on the federal level since 1969 — more and more likely, the institute said.

But Mr. Kohl, who has said he would step down as party leader rather than join a coalition with the Social Democrats, insisted it would not come to that.

"I don't believe that the voters will deliver a result that will end up forcing us into a grand coalition," he said in an interview to appear on Monday in Die Welt newspaper.

Mr. Schröder, however, told Der Spiegel magazine this week he believed Mr. Kohl's party would not reject a partnership out of hand.

If election results make the formation of a coalition government the only available option, he said, "one just has to do it."

Mr. Schröder, campaigning as a fresh face for Germany after 16 years of Mr. Kohl as chancellor, has seen his strong early lead evaporate as the Sept. 27 election nears.

Several polls released over the weekend showed Mr. Kohl, who is seeking an unprecedented fifth term, pulling to within about 2 percentage points.

Polling experts said the race was now too close to call, since the difference between the two was within the margin of error of plus or minus 3 percentage points.

The best news for Mr. Schröder came from a poll by the Forsa polling institute for Pro Sieben television. Released Saturday night, it showed the Social Democrats leading Mr. Kohl's conservative union by 42 percent to 38 percent.

But 37 percent of the 1,507 eligible voters surveyed said they were still undecided.

Mr. Kohl expressed confidence that many of the undecided would go his way. The Social Democrats got an early start, Mr. Kohl told Welt am Sonntag newspaper, but now "the air is going out" of their campaign.

Mr. Schröder told Der Spiegel that he remained optimistic, but he sounded a cautious note as well. If the Social Democrats don't win, he said, "the world won't end."

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THE WORLD'S DAILY NEWSPAPER

BRIEFLY

Vote Test for French Far-Right

PARIS — Voters went out in small numbers Sunday to cast ballots in a French parliamentary by-election called after the Socialist victory over a far-right candidate was annulled.

The far-right National Front is battling to keep its only seat in Parliament in the election in the southern port of Toulon. The vote was expected to be close, and results were not expected before late Sunday night at the earliest. Voter turnout at midday was just over 20 percent.

In May, Odette Casanova, a Socialist, won just 33 more votes than her National Front opponent, Cécile Le Chevallier. (AP)

Long Basque Cease-Fire Seen

MADRID — The government came under pressure on Sunday to respond positively to a cease-fire by Basque guerrillas, with a newspaper reporting the ETA separatists would honor the truce for at least six months.

The daily El Mundo said that, despite official skepticism, ETA's leadership planned to keep the cease-fire intact while seeking a political solution to the 30-year conflict, which has claimed more than 800 lives.

The paper quoted a source with close links to ETA as saying, "The peace process may have its ups and downs, but it is irreversible."

The center-right government has taken an extremely cautious line since last Wednesday, when ETA announced a general cease-fire modeled on the Irish Republican Army's truce in Northern Ireland. (Reuters)

More Crosses Up at Auschwitz

OSWIECIM, Poland — Conservative Roman Catholics erected four more wooden crosses Sunday next to the former Nazi death camp at Auschwitz despite calls by church and government officials for them to stop.

The new, four-meter (13-foot) crosses were set up by Poles from Chicago and New York and a group from Warsaw, bringing the total to about 200 of various sizes, the PAP news agency reported.

Conservative Catholics began erecting the crosses in recent months to protest a call from Jewish groups to remove an eight-meter cross outside the former death camp. The cross, used in a 1979 Mass celebrated by Pope John Paul II near Auschwitz, marks the site where 152 Poles were shot to death by the Nazis in 1941. (AP)

For the Record

Pope John Paul II on Sunday beatified a Giuseppe Tovini, a 19th-century Roman Catholic entrepreneur and politician who founded the Banco Ambrosiano, an institution closely linked to the church. The Pope put Tovini, who died in 1897, on the road to sainthood during a Mass attended by 40,000 people at a stadium in the northern Italian city of Brescia. (Reuters)



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INTERNATIONAL

Swiss Police Accuse Brother of Ex-President of Mexico in Cocaine Trade

By Tim Golden
New York Times Service

MEXICO CITY — After a nearly three-year inquiry into drug corruption in Mexico, Swiss police investigators have concluded that a brother of former President Carlos Salinas de Gortari played a central role in Mexico's cocaine trade, raking in huge bribes to protect the flow of drugs into the United States.

In a secret, 369-page report, the investigators assert that Mr. Salinas's elder brother, Raul, used his wide influence in the administration to organize an elaborate network of protection for drug smugglers. He also channeled drug money to his brother's presidential campaign, the report alleges.

"When Carlos Salinas de Gortari became president of Mexico in 1988, Raul Salinas de Gortari assumed control over practically all drug shipments through Mexico," the report states. "Through his influence and bribes paid with drug money, officials of the army and the police supported and protected the flourishing drug business."

From a low-profile position in the administration's food-distribution agency, the report

states, Raul Salinas commandeered government trucks and railroad cars to haul cocaine north. On what some of his reputed former associates referred to as "green-light days," he arranged for drug loads to transit Mexico without concern that they might be checked by the army, the coast guard or the federal police.

A partial copy of the report was obtained by The New York Times. It appears to be based largely on interviews with almost 90 former drug traffickers, reputed Salinas associates and other, mostly unidentified, witnesses.

Swiss officials said they expected it to be the basis for their government's seizure in the coming weeks of more than \$130 million that Raul Salinas deposited in Swiss banks.

Lawyers for Mr. Salinas, who received a copy of the report about two months ago, dismissed it Friday as the slanderous product of a Swiss crusade to confiscate what they insist is a fortune that their client earned by legitimate means.

"The report is absolutely false," Mr. Salinas's lead attorney, Eduardo Luengo Creel, said in an interview. "It contains statements, assertions and situations that do not correspond to the facts."

"We do not even know who these people are," Mr. Luengo said of the many confidential informants listed in the document. "To accuse someone with anonymous witnesses is unconstitutional in any country that enjoys the rule of law."

The report states that Swiss investigators were unable to determine conclusively what involvement the former president, his father and other family members might have had in the purportedly illicit activities of Mr. Salinas.

Some relatives, it implies, were among a group of people around Mr. Salinas who were implicated in criminal activities by witnesses whom the report describes as "principally credible." It does not name any of those people.

The report also notes that the investigators did not look further into the matter, because the people mentioned were irrelevant to their inquiry into whether Mr. Salinas's Swiss funds came from illegal activities.

Somewhat obliquely, the report adds: "We have to seriously question the probability that a person with as much power as the president of Mexico for years did not learn about criminal activities of this extent, even if his brother was

heavily involved." Carlos Salinas has recently been living in Europe.

The Swiss report is by far the most exhaustive assessment to date of Raul Salinas's reputed dealings with the Mexican underworld.

It is clearly a prosecutorial document, one that cites Mr. Salinas's version of events mostly to show how it appears to contradict other facts. Because the seizure of Mr. Salinas's assets would be a civil-court action, the report also aims at a considerably lower threshold of proof than would be required in a criminal case.

Raul Salinas was widely rumored to have grown rich on dubious business dealings during his brother's presidency, but the accusations were almost never public or specific. Shortly after Carlos Salinas stepped down in December 1994, his chosen successor, Ernesto Zedillo, shunned a long Mexican tradition of impunity for presidential families by authorizing Raul Salinas's arrest on charges that he ordered the murder of a leader of the governing party who was Raul Salinas's former brother-in-law.

In the tiny maximum-security prison cell where Mr. Salinas has spent the last three and a

half years, he has been struck by wave after wave of new allegations. Federal prosecutors in New York are pressing ahead with a criminal investigation into the possibility that he may have laundered illicit funds in New York. And after series of reversals in their murder case, Mexican officials say they are close to announcing new corruption charges against him.

Much of the Swiss evidence seems to come from witnesses who are identified only by pseudonyms like "Ludmilla" and "Juan," and whose credibility is difficult to judge.

Some said they had arranged the protection of drug shipments with Mr. Salinas directly. Others, including bodyguards, chauffeurs and secretaries, said they had attended meetings at which they saw Mr. Salinas receive suitcases full of cash from smugglers. Still others, including a U.S. drug-enforcement agent, testified to matters they had learned about secondhand.

Legal experts in Switzerland and the United States predicted that the confidentiality of the sources arrayed against Mr. Salinas might well prove to be a weak point in the Swiss government's case.

Kosovo Rebels Draft Plan for Equal Status With Serbia

The Associated Press

PRISTINA, Yugoslavia — Ethnic Albanian leaders released details Sunday of a proposal for an interim solution to the conflict between Serbia and Kosovo Province, amid reports of new fighting in the last rebel stronghold.

The Albanian daily Koha Ditore published 16 suggestions from a proposal drafted by Albanian leaders, envisaging Kosovo's future status as "temporarily part of Yugoslavia, as an independent entity equal to the other two republics in the federation."

Yugoslavia now is comprised of two remaining republics — Montenegro and Serbia. Four others seceded in the 1990s from the Yugoslav Federation. Kosovo is a province of Serbia.

Ilfaz Kurtishi, a member of the Kosovo negotiating team of Ibrahim Rugova, confirmed the authenticity of the published plan, but added it had yet to be fine-tuned.

"This is a phase of reconciling different opinions and I expect the American side will uphold our proposals in future negotiations," Mr. Kurtishi said.

A Western diplomat close to the negotiations, who spoke on the condition of anonymity, applauded the proposal as a sign of progress from the side of the Kosovo Albanians.

"This shows some resolve on their part, but it's only a step in the process," he said. "None of this is the final word. The Serbs will come up with their proposal and counterproposals and then we'll have a real negotiation process going."

Last week, the United States released details of a proposal for a three-year interim solution to the Kosovo crisis. The U.S. draft, while falling short of full independence, would restore the autonomy the Kosovo Albanians had until 1989.

In the Albanian proposal, Kosovo would have its own parliament, government and courts as well as its own police and an independent central bank, but would share the market and a common economy with the rest of Yugoslavia.

It indicated that control of Kosovo's borders could remain in the hands of the Yugoslav Army and federal customs authorities.

The proposal said that if Belgrade and Kosovo failed to negotiate a lasting solution to the province's status during a three-year interim period, Kosovo's residents would vote on it in a referendum — something that Belgrade strongly rejects.



Queen Elizabeth II being greeted Sunday by blind parishioners at St. Mary's church in Kuala Lumpur. The queen was in the Malaysian capital to attend the closing ceremonies of the Commonwealth Games.

MALAYSIA: Mahathir's Ex-Heir Is Arrested After Huge Protest

Continued from Page 1

of the mosque as her husband called for Mr. Mahathir to step down.

"Malaysians have waited long enough," Mr. Anwar boomed into a microphone as he looked out onto a sea of supporters. "We have given Dr. Mahathir enough time. Enough is enough!"

After Mr. Anwar finished addressing the crowd, he and his supporters walked to nearby Merdeka Square, the historic heart of the city. Mr. Anwar spoke to the crowd again from a grandstand that had been set up for the Commonwealth Games.

Once the speech ended, thousands of supporters marched, without Mr. An-

war, to the official residence of Mr. Mahathir, but they were repelled with water cannon and tear gas.

Other supporters gathered at Mr. Anwar's house and watched as police entered.

While such street politics are standard fare in places like Indonesia and the Philippines, the events of the last few weeks have stunned Malaysians — street politics like this have not happened in the country since the early 1970s, perhaps not coincidentally when Mr. Anwar led a radical Islamic student movement.

Mr. Anwar's support base is among Muslims who find Prime Minister Mahathir's views too secular — symbolized, perhaps, by the fact that Mr. An-

war's wife wears a headscarf and Mr. Mahathir's wife doesn't.

And in multiracial Malaysia, Mr. Anwar's movement has — perhaps inevitably — stirred racial and religious sentiments of all kinds.

During a news conference Saturday Mr. Anwar compared the Malaysian police to the Mossad, the Israeli intelligence agency. A handful of Mr. Anwar's Islamicist supporters yelled: "Yedudi! Yehudi!" the Malay word for Jews. Mr. Anwar did not acknowledge the shouts.

Mr. Anwar tried to steer clear of racial politics, saying Sunday that he wanted to "ensure that there is freedom, honor and dignity for all Malaysians."

"We cannot allow one dictator to rule us," he added.

CAPITAL: The Effects of Globalization

Continued from Page 1

growing number of economists are calling for new steps to control these capital flows or at least soften their impact. Some say that the Bretton Woods economic system, which has governed the global economy for half a century, has been eclipsed by these vast pools of capital, and there are calls to design a new "architecture" for the global economic order.

The topic is expected to be widely discussed at next month's special meeting of finance ministers and central bankers from the Group of Seven industrialized countries, summoned by President Bill Clinton to discuss the global crisis. Finance Minister Kiichi Miyazawa of Japan has already discussed measures to ease the volatility of capital flows with Treasury Secretary Robert Rubin and with their British counterpart, Gordon Brown.

The Federal Reserve Board chairman, Alan Greenspan, weighed in last week with a denunciation of rigid capital controls but a call to confront the problem by tightening supervision over banks that engage in international finance. All of a sudden, a vigorous debate is under way, and it may shape the global economy for decades to come.

"We'll have to rethink the system in a big way," said Jagdish Bhagwati, a prominent scholar of international economics at Columbia University. "The president has called this conference, and it should be the start of that process."

Mr. Bhagwati urged that the new architecture should "give up the notion that the optimal world is one characterized by capital flows, by capital account convertibility, where you just press a button and take out a billion."

The U.S. government has led a global push to free the flow of capital around the world, and any new impediments to capital flows would be an abrupt step back for its campaign. As recently as March, the International Monetary Fund

newsletter carried a front-page headline cheerily declaring capital liberalization to be "an irreversible trend."

These days, it looks more reversible. Some economists believe that despite a wealth of scholarly research showing the need for caution, the United States pushed too hard for capital liberalization. The result, they say, was that tide of investment flooded into ill-prepared developing countries and created speculative bubbles, and then surged out leaving behind shattered nations and a global financial crisis.

"I actually think the IMF was too pushy in going around the accepted wisdom and encouraging countries to liberalize their capital accounts too soon," said Ronald McKinnon, an economist at Stanford University and author of a book on capital liberalization. "And not the least of the reasons behind this was arm-twisting by the United States Treasury, which always wants American banks and Wall Street people to be in there, competing freely."

Still, there is no question that free capital flows have brought tremendous benefits to the global economy, as well as perils. Some places, like Hong Kong, have opened themselves to capital flows without restriction and are examples of the prosperity that free movements of capital can reap. Deputy Treasury Secretary Lawrence Summers likens the flows to jet planes, observing that jets bring enormous efficiencies and benefits to the world — but that the crashes are more spectacular than ever.

What are these capital flows? They are, not some sinister force, but simply the result of ordinary people's cash roaming in search of a good return. When an American deposits money at the corner bank, some of that may end up being lent to a Brazilian company, and the same person's pension fund may dabble in the Hong Kong stock market.

In the United States, trading in foreign securities amounted to 2 percent of gross national product in 1975 and 213 percent last year, according to data from the Bank for International Settlements.

Paradoxically, historians sometimes attribute the modern boom in international capital, beyond the easy reach of any regulator, to the Communists. In the 1950s, China and Russia kept their dollars out of the United States, for fear Washington would freeze their accounts, and instead deposited the dollars in Europe.

One result was the "Eurodollar" market and a growing investment pool that flitted from country to country and currency to currency in pursuit of higher interest rates.

Most governments imposed capital controls early in this century and then lifted them in the 1970s and '80s, and limitations on changing money came to be seen as quaint. Paradoxically, it is the holdouts with capital controls, like China and India, that have weathered the financial crisis much better than others, because they were not vulnerable to a sudden exodus of capital.

"I've been told, 'China seems to be coming out of the crisis well because it has capital controls, so what's wrong with reimposing controls?'" said Linda Tsao Yang, the U.S. envoy to the Asian Development Bank.

Ms. Yang and other U.S. officials are wary of capital controls, however, particularly the rigid kind imposed by Malaysia that has most investments from being taken out of the country. Scholars say that such capital controls offer short-term benefits but tend to discourage investment in the long run and often get mired in corruption and inefficiency.

"There is a significant risk that over the next three or four quarters short-term results from Malaysia will be seen as beneficial," said William Cline, the chief economist of the Institute of International Finance in Washington. "An illusory temporary success could tempt other countries to follow suit."

While Western economists are mostly unimpressed by Malaysia's controls, many speak highly of a quasi tax that Chile has imposed on short-term borrowings from abroad. With that measure, which the country is in the process of dismantling, Chile has been able to attract foreign capital, but has been less vulnerable to a sudden exodus.

The specific proposals that G-7 finance ministers might discuss to deal with capital flows are unclear. But there is vague talk of increasing supervision over borrowing banks and of establishing funds that could be used to insure depositors or counteract speculative attacks.

"Outright controls on the flow of funds are virtually impossible in this modern, integrated world," said Yuki Tashima, a finance expert in Japan's Parliament. "But we should have some device through which if the volatility of the market gets too disturbing, it could be mitigated."

SUHARTO: Because of Indonesia's Laws, Ex-President's Wealth May All Be Legal

Continued from Page 1

economy from collapsing. Critics say that as president, Mr. Suharto issued at least 57 decrees and regulations favoring the businesses of his children, grandchildren and friends.

Public pressure on the government of President B.J. Habibie to bring Mr. Suharto, his family and business associates to account has been growing since his resignation on May 21 amid mass protests against his rule and an explosion of rioting in Jakarta that left almost 1,200 dead.

But some Indonesian and foreign critics express concern that the investigation could turn out to be little more than a whitewash to clear the former president, his family and associates of wrongdoing so that other officials will not be subject to investigation on similar grounds.

The investigation into the Suharto family's wealth is being led by Attorney General Muhammad Ghalib, who said this month that he believed Mr. Suharto's recent denial on television that he had any money hidden abroad.

"Suharto is a former president, so he would not lie," Mr. Ghalib said.

Indonesian critics said that if the government was serious, it should immediately set up an independent commission of inquiry on corruption with the power to investigate wrongdoing by all officials from the president down — something that several associates of Mr. Habibie have recently promised to happen.

Yet critics remain skeptical because most members of the current cabinet

served under Mr. Suharto. Mr. Habibie was his vice president and protégé before he took over as president in May.

"The whole government is one hand-picked by Suharto, so there is not much credibility in its political will to really go to the roots of the matter here," said Wimar Witoclar, a prominent Indonesian commentator.

Mr. Suharto has kept a low profile since his downfall. But as demands by students and other protesters for an investigation into the wealth of the Suharto clan intensified, he made a rare appearance on Sept. 6 at a television station party owned by Mrs. Rukmana.

The former president said that "I don't have one cent of savings abroad, don't have accounts at foreign banks, don't have deposits abroad, and don't even have any shares in foreign firms, much less hundreds of billions of dollars."

The Jakarta Post responded by saying that investigators should compare Mr. Suharto's current assets against those he owned before he took office and ask him to explain how he acquired them.

"In the public's mind, the case against the Suharto clan is clear enough, given the past display of opulence indulged in by the first family," the newspaper added.

Most analysts agree that the sprawling business empires in Indonesia linked to Mr. Suharto's relatives, along with more than 100 shadowy "charitable foundations" connected to the former president, are still worth at least several billion dollars even though they were hit hard by the recession and the sharp fall in the value of the rupiah, Indonesian's currency.

An official Indonesian audit of charitable foundations headed by the former president is already under way. The government says preliminary findings show that there may have been some irregularities at the foundations, which are free of tax under Indonesia law and are not normally subject to outside audit.

Numerous state concerns have canceled contracts with companies linked to the former first family. Many of Mr. Suharto's children have resigned from executive positions but continue to retain large holdings in their companies.

Roderick Brazier, director of publications at the Castle Group, a Jakarta-based business consultancy that recently published a study of the Suharto family's wealth, said that the former president's children were likely to have assets worth \$4 billion to \$5 billion, with the foundations adding \$2 billion.

Some analysts believe that the Suharto family may have much more than this hidden in overseas bank accounts.

David Hale, chief economist, based in Chicago, for Zurich Insurance, a Swiss group, told Barron's magazine he estimated that \$8 billion had been moved from Indonesia to Austria on Mr. Suharto's instructions before his fall.

But at the annual meeting last week in Kuala Lumpur of Transparency International, the global organization founded to fight corruption, experts on cross-border asset recovery said that it could be very tough to recover any money controlled by Mr. Suharto.

Overall, "the record of recovery is appalling," said David Chalkin, an Australian lawyer working to salvage some

of the billions of dollars thought to have been sent out of the Philippines by the late dictator Ferdinand Marcos.

Of those billions reportedly taken from the Philippines, Mr. Chalkin ruefully noted, just \$570 million had been identified and returned even though Mr. Marcos fled his country 12 years ago.

Experts said it could be even tougher to recover any money controlled by Mr. Suharto.

For example, Switzerland and many other jurisdictions will not surrender funds unless it can be proven there that the funds deposited were the proceeds of crime. In the case of Indonesia, experts said, Mr. Suharto wielded such power that it is likely that all of his money-making activity during his time in office followed the letter of Indonesian law.

Experts stressed that hunting down overseas assets through the use of documents and bank transfer records alone is all but impossible because real ownership can be masked by nominees. Any successful recovery at some point involves a tip from an insider, who gives investigators a clue to where they should look.

"You need to have someone to open the cupboard," said Jeremy Carver, an asset recovery attorney with the law firm of Clifford Chance in London. Even with a tipoff, however, recovery of assets was still painstaking and expensive, he said.

An additional problem is that a substantial chunk of the Suharto family fortune inside Indonesia was tied up in publicly listed companies officially controlled by some of the Suharto children.

Crash Kills Mother Of Duchess of York

Reuters

BUENOS AIRES — Susan Barrantes, mother of the Duchess of York, was killed in a head-on collision on a two-lane highway west of Buenos Aires on Saturday night, the police said early Sunday.

Mrs. Barrantes's Land-Rover collided with a Renault light truck 12 kilometers (seven miles) outside Tres Lomas, 520 kilometers from Buenos Aires, the police said.

Her nephew, Rafael Barrantes, and the driver of the other car, Jose Maria Rodriguez, both suffered injuries but survived the crash, said the police chief in Tres Lomas, Hector Dimas Molinero.

Mr. Molinero said the cause of the accident was unknown.

Mrs. Barrantes, 61, is the mother of Sarah Ferguson, the former wife of Prince Andrew, who is the second son of Queen Elizabeth II.

Miss Ferguson, who was vacationing in Italy at the time of the accident, was scheduled to fly to Argentina on Sunday night to preside over the funeral rites, the state news agency Telam reported.

Many of these firms are reported to be heavily in debt to local and foreign banks and to be worth much less than they were a year ago, before the start of the financial crisis. It caused the Indonesian currency to lose more than 60 percent of its value against the dollar.

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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Approve the IMF Funding

While the U.S. economy remains healthy, much of the world is in, or teetering close to, depression. A financial crisis that began in Thailand more than a year ago has spread through Southeast Asia and Korea into Russia. It now threatens Ukraine, Brazil and other countries. Japan remains mired in a deep slump with little prospect of quick recovery. In these circumstances, two things are clear. The U.S. economy cannot remain forever immune if a global depression is approaching; and if such a depression is to be averted, U.S. leadership is a necessary precondition.

In these circumstances, the refusal of the House of Representatives to fully fund the International Monetary Fund is reckless. The IMF is essentially the world's leader of last resort, the only institution to which threatened economies can turn in distress. Its coffers are dangerously low, reducing the help it can offer and the credibility of the offers it does make. The Senate has approved \$18 billion in new credits as the U.S. share of an IMF replenishment. But the House approved only \$3.4 billion on Thursday, voting by a 229-to-188 margin not to even allow a vote on increasing that total.

To say that Congress should approve IMF funding is not to endorse everything the IMF has done or to

belittle congressional concerns with the way it operates. A good case can be made that the IMF mishandled the initial stages of the Asian crisis, perhaps aggravating an already dangerous situation. Critics of the IMF's Russia policy likewise can make a credible case. The IMF in general has operated with too much secrecy, and it may well be that given the changes in the global economy new institutions are needed to foster economic stability.

But new institutions cannot be created immediately, nor can the United States immediately promulgate reform within the IMF, which is a multilateral agency. Yet the financial risks are immediate and close to home. Congress has had months to come up with an IMF bill that balanced its desire for reform with a recognition of its responsibility to provide leadership. It failed to do so.

Now the House is playing politics, holding the IMF bill in reserve as one bargaining chip among many with which to confront the administration as this session draws to a close. That may strike House leaders as a clever gambit. But if South American economies tip into recession in the meantime, taking with them crucial markets for U.S. exporters, what seems clever today will have been revealed to all as foolhardy beyond measure.

—THE WASHINGTON POST.

Reno's Slow Turnaround

Attorney General Janet Reno's recent decision to review the advertising blitz orchestrated by President Bill Clinton during his re-election campaign marks an important step in the slow turnaround. For two years, the U.S. attorney general has misread federal campaign finance laws to justify her refusal to seek investigation by an independent counsel of the "soft-money" shenanigans by the president and the Republicans in the 1996 campaign. Her laissez-faire stance protected Mr. Clinton, but evicted restrictions on campaign spending and contributions that are designed to curb the buying of access and influence.

Ms. Reno's move is the latest of three separate inquiries that could lead to a broader investigation of campaign fund-raising abuses. It targets the audacious scheme by which Mr. Clinton and his team used unregulated soft-money contributions from unions, corporations and wealthy donors that are barred in federal campaigns to pay for a barrage of television commercials.

In a videotape that emerged a year ago, Mr. Clinton is seen telling supporters about the scheme to run the money through party accounts to evade restrictions he had agreed to as a condition of receiving \$75 million in public financing. The subterfuge fooled no one but Ms. Reno and her advisers in the Justice Department's misnamed Public Integrity section. Even before the election, it was clear that the commercials were Clinton campaign ads, not generic issue ads on which the party may spend unlimited amounts of unregulated soft money.

But in a 1997 letter to the Senate Judiciary Committee chairman, Orrin Hatch, Ms. Reno tolerantly embraced the White House claim that by having

the Democratic Party write the checks, and by omitting language checking the election or defeat of a candidate, it had transformed the campaign ads into issue ads not chargeable to the presidential spending limit.

In truth, the party's only role was to act as a conduit for the money, which all those White House coffees and sleep-overs helped to raise. Mr. Clinton and his team totally controlled the funding, content and broadcasting of the ads. But the statute establishing the public financing system and Federal Election Commission regulations make plain that expenditures made by or at the request of a candidate count as a "qualified campaign expense."

Unfortunately, Ms. Reno's change of position has not led to an increase in candor. She attributes her decision to re-examine the Clinton ads to a preliminary finding by a Federal Election Commission auditor that White House control of the commercials rendered them campaign ads. But that finding hardly comes as a surprise.

As a former chairman of the commission, Trevor Potter, testified a year ago, Federal Election Commission advisory opinions hold that party commercials coordinated with a candidate's campaign and containing an "electioneering message" depicting an identifiable candidate are campaign ads, whether or not they tell viewers to vote for or against someone.

Ms. Reno was finally goaded into action by the memo left by the outgoing chief of her campaign finance task force, Charles La Bella. It said the known evidence required an independent counsel, and advanced a refreshing legal theory that campaign finance laws mean what they say.

—THE NEW YORK TIMES.

No to a Health 'Keyhole'

The White House, alerted by fights in the U.S. Congress over medical and financial privacy, has sensibly put the brakes on a plan to institute a so-called universal health identifier, which would make the entire history of a person's medical treatments accessible at the touch of a button. Mandated by 1996 legislation that made health insurance more portable, the single identifier is a double-edged sword.

A single key of this kind, likened by supporters to the Social Security number, offers advantages.

A patient treated in an emergency room or a strange hospital would get better care if doctors could instantly call up a complete medical history, including allergies, past health problems and current medications. The gap in quality of care would narrow between underfunded, overburdened hospitals and their better-endowed cousins. The quality of health care overall might go up.

The quality argument, though, is secondary to the efficiency argument that propelled the adoption of the identifier in the 1996 law: a comprehensive database of everyone's complete medical care would allow research into cost control and fraud.

It also would provide an unparalleled public health resource. But here, even more than in the quality argument, the disadvantages tell. Once complete health care information is available in a government database, accessible on grounds of research or law enforcement, the odds of leakage or misuse are tremendous.

Add the intrinsically personal nature of much medical coverage — chronic conditions, mental health counseling, pregnancy, abortion, AIDS, domestic abuse injuries — and you have a recipe for driving people out of the medical system altogether.

If a patient could choose what medical information to enter into his or her lifetime index — without sacrificing insurance coverage in the case of "opting out" — some benefits from the file might be captured without creating a single keyhole through which to view people's medical lives.

But the dream of a comprehensive database of all citizens' complete medical histories is too dangerous.

—THE WASHINGTON POST.

Throwing Lots of Money at Brazil Simply Won't Help

By Charles Wyplosz

GENEVA — Under pressure from the United States, the Group of Seven leading industrial nations is again ready to throw huge amounts of emergency money at Brazil.

The argument is becoming all too familiar. Badly hurt by weeks of frantic defense of its exchange rate, Brazil is about to default on its external debt. This could damage the re-election prospects of President Fernando Henrique Cardoso, a very able president and friend of the United States. If Brazil goes down, Argentina would soon follow. When the two regional giants are hit, no Latin American country will be spared the contagion.

More than \$100 billion dollars was sent to Asia last year. Yet, the contagion spread. All governments in place before the crisis had been swept away, except for that of Prime Minister Mahathir bin Mohamad, who has recently taken Malaysia on an anti-market and anti-West course.

The emergency package to Russia, last July, has not prevented the collapse of the ruble. President Boris Yeltsin has lost his grip on power. All the same, the G-7 will keep bankrolling the new Russian leadership, which is already busy fueling hyperinflation and destroying the few market institutions that

the greedy reformers created early on.

Emergency money from the G-7 systematically misses its purpose; it only fills up corrupt pockets and bails out Western lenders and financial institutions. Who pays? Not the Western taxpayers, since these are just loans, but the citizens of the G-7's favorite charities, who must cough up debt service.

The G-7 keeps repeating the same basic mistakes. The first is the belief that crises can be stopped by massive cash injections. The International Monetary Fund typically looks at how much of a country's external debt is coming due over the next few weeks and provides the cash to bridge the gap.

Facts have repeatedly proven this calculation to be wrong, for good reason. When a crisis is under way, external debt service is like froth on a tidal wave. Any dollar that reaches the country is immediately bought up in a frenzy of genuine panic and debt speculation.

Pointing in more money is like filling up a cracked barrel, with no limit in sight. The second mistake is classic. Many countries peg their exchange rates to achieve low inflation and establish the respectability that comes with a strong

currency. This works well for a while, but only very similar countries can tie their currencies together for a long period. Even like-minded Italy, Britain and Sweden were forced out of the Deutsche mark peg in 1992.

The Asian countries are just too different from the United States. Canada, like Russia an exporter of natural resources, has always allowed its currency to float. Mexico loosened public finances during the 1994 election campaign, sealing the fate of the peso-dollar link. The same is happening in Brazil, and the outcome is written on the wall.

The defense of a doomed exchange rate becomes the eye of the storm, calling upon itself the immense forces of speculation. And yet the IMF, which sets tough conditions for the G-7 rescue packages, repeatedly omits to require that the currency be set free.

The last mistake is the naive belief that open financial markets are good for all countries. It is in the nature of financial markets to display occasional herd behavior. In the United States and Europe, it has taken decades — and many crises — to build financial institutions resilient enough to weather periods of panic. When emerging markets with weak institutions link up with the world financial markets, they open

wide the channels of contagion that now spread like a modern plague. Yet, the dogma of unfettered laissez-faire remains devout zealots in Washington and Frankfurt, giving markets a bad name all over the world. What is to be done?

First remove the exchange rate peg in Brazil, Argentina and Chile, among other countries. Will this trigger a run on the currencies? Probably, but a run is in the making anyway. Better get it over with before a few more billions are added to external debts.

Second, declare a moratorium on external debt and encourage Western creditor banks to do what banks always do to help their best customers in temporary trouble — provide more loans.

The world is craving for G-7 leadership in reforming the international monetary system, but there is no need of IMF or G-7 money. Of course, reform is much harder than generously throwing money at the expense of taxpayers in poorer countries.

The writer is a professor of economics at the Graduate Institute of International Studies in Geneva and a research fellow of the Center for Economic Policy Research in London. He contributed this comment to the International Herald Tribune.

Mahathir Is Taking a Big Risk With the Malaysian Economy

By David G. Brown and Douglas H. Paal

WASHINGTON — The latest and most loyal of three designated heirs to Prime Minister Mahathir bin Mohamad of Malaysia has been arrested following his dismissal by the prime minister.

Mr. Mahathir said he had ousted Anwar Ibrahim, the deputy prime minister and finance minister, because of Mr. Anwar's moral character. Mr. Anwar was investigated for allegations of homosexuality, procuring sex, and sodomy as well as leaking state secrets. Mr. Anwar has denied all of the allegations.

The charges are not believable. The reality is that Mr. Mahathir has long been maneuvering to check Mr. Anwar for a combination of policy and political reasons. In May, he perceived that Mr. Anwar's supporters were plotting against him at the assembly of the governing United Malays National Organization, using accusations of corruption and cronyism similar to those that had led to the downfall of President Suharto of Indonesia.

What prompted the final falling out was Mr. Mahathir's determination to avoid Mr. Suharto's fate. He was willing to sacrifice Malaysia's carefully nurtured succession mechanism and its market orientation to do so.

The decisive moment came on Aug. 27, when the central bank announced that the economy had shrunk an unprecedented 6.8 percent in the second quarter and when a downgrading of Malaysia's sovereign debt by Moody's rating agency forced Mr. Anwar to withdraw a \$2 billion bond flotation.

Mr. Mahathir saw his economic accomplishments going down the drain and Mr. Anwar's tight money policy and general adherence to policies advocated by the International Monetary Fund failing. Characteristically, the prime minister acted ruthlessly.

On Sept. 1, Mr. Mahathir announced sweeping new capital controls. The next day, after Mr. Anwar declined to resign, Mr. Mahathir's office announced that he had been dismissed from government.

The following day, Mr. Anwar was ousted from the government party. Interest rates were lowered and other policy changes followed. Mr. Mahathir appointed himself finance minister and named loyalists to key positions in the ministry and the central bank.

Mr. Mahathir has made a huge gamble with Malaysia's prosperity. He seems to believe that growth can be restored by insulating the economy from short-term capital movements, pegging the Malaysian currency, the ringgit, at a fixed rate of 3.8 to the dollar and loosening credit dramatically.

The current turmoil in international markets and doubts about the IMF's methods have created some sympathy for his move to insulate Malaysia.

The new deputy governor of the central bank, Zeti Akhtar Aziz, expects the economy to rebound in the fourth quarter and achieve 1.0 percent growth in 1999. She said that inflation was lower than expected and that domestic demand would spur the economy.

Most importantly, Mr. Mahathir has the nation's public resources at his disposal to lubricate the political gears of the governing party and reinforce his continued control before a worsening economy threatens his grip on power even more.

As expected, his policies have had an initial positive impact. Lower interest rates, increased liquidity, purchases by government-run funds, and the reported return of large amounts of ringgit from abroad have pushed stock prices up, particularly those of companies connected to the government.

Mr. Mahathir is betting that the improvement can be sustained and converted into real growth next year, permitting an easing of the new policies. This is unlikely to happen. The positive effects will fade as the problems with Mr. Mahathir's policies accumulate.

The easy credit that has created the current stock market bubble will spill into the real economy and rekindle inflation. The growth drive is pushing frail banks to expand lending to favored companies, while recent transparency re-

forms promoted by Mr. Anwar are being relaxed to mask their weakening balance sheets.

Worse financial problems lie ahead. However much Mr. Mahathir tries to reassure foreign investors, overseas capital will dry up, hurting exports and competitiveness.

Mr. Mahathir wants to depend primarily on domestic investment to reflate the economy and recapitalize banks. But Malaysia will need external resources. The downgrading of Malaysia's debt ratings to near junk status reflects the difficulty the country will face in obtaining any foreign funds.

Moreover, recent official threats against foreign banks that do not increase their lending will only frighten potential investors away. With investors alienated by policies they believe are bound to fail and its policies in turmoil, Malaysia faces difficult times.

Mr. Brown is a senior associate and Mr. Paal is president of the Asia Pacific Policy Center in Washington. They contributed this comment to the International Herald Tribune.

The Global Economy Is Ill, and the Doctor in Chief Is Wounded

By E. J. Dionne Jr.

WASHINGTON — The arguments surrounding the Clinton scandal are largely about the past: What did the president do, and is it impeachable? But we also need an argument about the future: If he were to survive, how would he govern?

President Bill Clinton offered up a test case Sept. 14 in an address before the Council on Foreign Relations in New York. It dealt with what may be the single most important problem confronting the world: how to prevent the global economic downturn from becoming a catastrophe.

Bill Clinton did not mince words in describing "the biggest financial challenge facing the world in a half-century." At stake, he said, is not only "the wealth of nations" but also "the health of freedom."

"Where economic turmoil plunges millions into sudden poverty and disrupts and disorders the lives of ordinary people," he said, "the risks of political and social instability and of a turn from democracy clearly rise."

The wealthy countries urgently need to spur growth. That will mean coordinated cuts in interest rates, an idea that is not an easy sell to the world's key central bankers. Yes, inflation is always a worry, but Mr. Clinton argued that "the balance of risks has now shifted." The peril now is not inflation but deflation, falling

growth and widespread unemployment around the globe.

For the longer term, he wants to build a new global economic system "to adapt the international financial architecture to the 21st century." It is an initiative one wishes he had launched at the beginning of his administration, but better now than never.

The international economic institutions we have now were built soon after World War II. They worked for a long time, but much has changed. Capital moves around the world with far more freedom, and there is more of it. The Asian economy is now a major force in the world. And the former Com-

munist countries in Europe have joined the market system.

Having learned to "time and limit the swings of boom and bust" in national economies, Mr. Clinton asked, can we do the same in the global economy?

Since "all economies are increasingly interdependent, fear and uncertainty about the economy of one country can prompt investors to pull money out of other countries thousands of miles away." He added: "Markets work best when they are driven neither by excessive inflows or outflows of capital based on indiscriminate optimism or pessimism."

Finally, Mr. Clinton suggested something quite radical but also practical: the creation of "an adequate social safety net in recovering nations."

"Wrenching economic transition without an adequate social safety net can sacrifice lives in the name of economic theory and... generate thereby so much resistance that reform grinds to a halt," he said. And he raised the issue that concerns many Democrats in Congress: how to promote "spirited economic competition among nations" while ensuring "environmental protection, consumer protection [and] labor standards."

Having given a forceful speech, does he have the standing to lead the push for action both in Washington and in other capitals? In normal times, a president might do just that. President Harry Truman was bold in pushing unpopular but necessary initiatives to reconstruct Europe and Japan after World War II. But these are not normal times. The scandal hovers over everything. It muffles all other discussion.

Mr. Clinton has no choice but to deal with it. His claim is that despite the scandal he can govern effectively. But can he — can his administration — do so? Can Treasury Secretary Robert Rubin have the influence in Congress and abroad to speak the boldness required?

The sorts of international institutions the president wants to finance and strengthen are viewed with profound skepticism by many Republicans in Congress. Can he battle for survival against his Republican foes and at the same time move a Republican Congress in his direction on these issues?

Mr. Clinton cannot change his past. We seem doomed to a long debate over whether what he did requires his removal from office. But he might still be able to affect our view of the future. To survive, he needs to prove that his presidency still has one.

Washington Post Writers Group.

UN Arrears? Clinton Can Pay Today

By Jesse Helms

WASHINGTON — During President Bill Clinton's visit to the United Nations Assembly this Monday, he will almost certainly try to gloss over one important fact: With a stroke of his pen, he can pay the American "arrears" to the United Nations — today.

In April, Congress reluctantly wrote the president a check to pay \$819 million and also agreed to forgive an additional \$107 million in debt that the United Nations owes the United States — a total of \$926 million. The bipartisan legislation also would force much needed reform on the United Nations, including cuts in personnel, caps on spending and a reduction of American dues from 25 to 20 percent of the regular UN budget.

Five months have passed, but the check remains uncashed. Despite agreement between Congress and the administration on the "reform for arrears" package, the president has refused to sign the legislation because he objects to one minor provision forbidding groups that accept federal subsidies to use American tax dollars to lobby foreign governments to change their abortion laws.

To protect a few abortion advocates, President Clinton has made clear that he is willing to torpedo this legislation. He should abandon this holier-than-thou charade. Nobody got everything he or she wanted in this bill. I compromised on some provisions, as did many other

senators and representatives. So why does the president think he alone is above compromise?

The original abortion language in the bill — which was American policy under the Reagan and Bush administrations, but later reversed by Mr. Clinton — barred federal money from going to groups that perform abortions abroad. Last fall, in an effort to strike a deal, House leaders agreed to a watered-down restriction that does nothing more than ban the use of U.S. tax dollars to lobby for changes in foreign abortion laws. Still, the administration balked.

Secretary of State Madeleine Albright objected to language in a report accompanying the bill, which she said barred American groups from attending conferences aimed at changing foreign abortion laws. In fact, the language she cited was not part of the bill and was not legally binding.

Nevertheless, in the spring, House leaders compromised again, agreeing to remove the offending part of the report. (Groups can now attend, but cannot sponsor, such conferences.) Today, the abortion language in the legislation is so limited that it represents little more than a symbolic concession to pro-life Re-

publicans. Yet Mr. Clinton doggedly continues to insist that he will not make even a symbolic concession on abortion.

Clearly, in light of his current difficulties, he is desperate to keep the support of groups such as the National Organization of Women and Planned Parenthood. But is the president so desperate that he is really willing to put his political needs ahead of paying the UN arrears? Consider the other important programs that the president will be discarding with a veto:

- The bill includes nearly full financing of the administration's foreign affairs budget request.
- The bill authorizes Radio Free Asia to expand to a 24-hour service and creates Radio Free Iraq and Radio Free Iran.
- The bill authorizes \$38 million to support the democratic resistance in Iraq.
- The bill would streamline our government's diplomatic bureaucracy by shutting down the U.S. Information Agency and the Arms Control and Disarmament Agency and bringing the Agency for International Development under State Department control.

This legislation is the president's last shot this year to pay the arrears. To our friends at the United Nations, I say this: Don't complain to Congress if this year passes without payment. The president has the check in his hand. When you see him Monday, advise him to cash it.

New York Times Service.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Dutch Agenda

THE HAGUE — Queen Wilhelmina for the first time opened the States-General of the Netherlands. In the speech from the Throne, Her Majesty referred to the innumerable proofs of patriotism manifested since her accession. The Legislature would be called upon to solve problems of great social importance. Bills would be presented for the improvement of the dwellings of the laboring classes and for preventing excessive hours of work for adults in factories and workshops. The speech announced measures for dealing with the abuse of alcohol, the construction of secondary railways, the abolition of tolls, the reorganization of finances and government of the Dutch Indies.

1923: 'White League'

LONDON — White Women have been outraged so fre-

1948: Indonesia Revolt

BATAVIA — Communist leader Musso broadcast an appeal over Radio Madiun for a full-scale revolution through Indonesia after the Communists tried yesterday (Sept. 19) to overthrow the Republican government. The Republican Parliament has given Dr. R. Soekarno, Indonesian President, complete powers to deal with a Communist insurrection in Madiun, where the Communists announced that they would "free" all Indonesia.

1949: Indonesia Revolt

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INTERNATIONAL

In 'an Amazing Run,' U.S. Unravels the bin Laden Network

By Michael Grunwald
and Vernon Loeb
Washington Post Service

WASHINGTON — Eleven months before the deadly bombings of the U.S. embassies in Kenya and Tanzania, a former personal secretary to the international terrorist Osama bin Laden quietly moved from Nairobi to Arlington, Texas.

Almost immediately, the FBI brought him in for questioning. What can you tell us, FBI agents asked. What Hage, about Mr. bin Laden's top military commander? As far as he knew, he replied, the commander was "alive and well and living with bin Laden in Afghanistan."

According to court documents filed last week in New York, that was a lie, and the FBI agents knew it. They knew that the commander had drowned, along with more than 500 other people, in the sinking of a Tanzanian ferry in Lake Victoria in May 1996.

They also knew that Mr. Hage and his housemate had visited the accident scene to search for the commander's body. In fact, they seemed to know quite a bit about the Kenya cell of Al Qaeda. Mr. bin Laden's worldwide network of Muslim militants.

On Aug. 7, that close-knit terrorist cell allegedly blew up the embassy in Nairobi, killing 253 people, including 12 Americans. A nearly simultaneous blast in Dar es Salaam took 10 lives.

In large part because the FBI and the Central Intelligence Agency had monitored Mr. bin Laden and his Kenya operations, the investigation of the truck bombings has progressed with remarkable speed. In six weeks, the FBI's largest overseas investigation in history has identified a steady stream of suspects, illustrating some of the results of an intense American effort to gather intelligence on Mr. bin Laden over the last five years.

So far, two alleged members of Al Qaeda have been charged with the Nairobi bombing and are awaiting trial in New York. Mr. Hage's former housemate has also been charged in that attack, but has eluded capture.

Mr. Hage himself was arrested last week for allegedly lying to the FBI, and he may be charged with terrorist crimes this week.

"It's been an amazing run," one FBI official said. "Hey, every once in a while, we do something right."

But the early successes of the investigation have also raised questions. Some critics have asked if the bombing plans could have been detected, as U.S. officials were apparently tracking Mr. bin Laden's Kenya cell as early as 1996.

The Hage arrest has heightened fears about bin Laden's activities in the United States, but the FBI has not addressed the issue publicly except to confirm their presence in the country.

The high-profile arrests and other developments have sent an implicit message that the FBI is unraveling Mr. bin Laden's far-flung network, but no one is sure how much of a dent law enforcement ultimately can make on his operations.

A grand jury in Manhattan has returned an indictment charging Mr. bin Laden with crimes unrelated to the East Africa attacks, but for now he is believed to be beyond reach in Afghanistan.

"Hey, every once in a while, we do something right."

Official said, "You can take 20 drug pushers off the streets today, and they'll have 20 new pushers in their place tomorrow. It's the same way with terrorism."

The parade of suspects in the embassy investigation reflects the keen interest of U.S. officials in Mr. bin Laden since the World Trade Center bombing in 1993. By all accounts, the FBI has relied heavily on its sometime rivals in the CIA, which runs a "station" devoted to Mr. bin Laden.

The investigation has also benefited from the largesse of Congress, which provides about \$6.7 billion a year for counterterrorism operations.

The FBI has enjoyed unprecedented cooperation from authorities in Kenya, Tanzania and more than a dozen other countries, a sharp contrast from some of its previous investi-

gations of terrorism on foreign soil.

The complaint against Mr. Hage includes the first public references to Mr. bin Laden's top military aides: Abu Ubaidah Basmali, who drowned at Lake Victoria, and Abu Hafsa Masry, who took his place.

In the Kenyan case, the investigation has provided an emerging portrait of the bomb plot and Al Qaeda's activities in Africa, woven together from the alleged backgrounds and activities of the major suspects.

Mohammed Saddiq Odeh, a Palestinian from Jordan, was arrested the day of the bombings in the Karachi, Pakistan, airport for using a false passport, and he reportedly confessed to Pakistani authorities under interrogation that he had helped plan the Nairobi attack.

Mr. Hage's housemate, Haroun Fazil, a native of the Indian Ocean archipelago of Comoros, allegedly played a leading role in planning and executing the Nairobi blast, and a reward of up to \$2 million is being offered by the United States for information leading to his arrest. He allegedly received paramilitary training from Mr. bin Laden in Afghanistan in 1994 and was an "active member" in Al Qaeda's Kenya cell.

The FBI director, Louis Freeh, recently warned that Mr. bin Laden had operatives in the United States, and the Hage case could well stoke fears of domestic terrorism.

"You don't want to be alarmed, but this is a very serious situation," said Oliver Revell, a former FBI official in Dallas and Washington.

Israelis Keep Alert As Holiday Begins

The Associated Press

JERUSALEM — With a wail of sunset sirens and prayerful pilgrimages to the Western Wall, Israel on Sunday ushered in the New Year — 5759 by the Jewish calendar.

In the hours before the start of the two-day Rosh Hashanah holiday, preparations were festive but frantic and some people's nerves were on edge over threats from Islamic militants.

On streets and in markets, shoppers swarmed and sellers shouted. Children scooted underfoot while Israeli soldiers made constant swivel-eyed surveys of the scene.

Security was tight, with Palestinians from the West Bank and Gaza Strip banned from entering Israel. The militant Islamic group Hamas had threatened bombings and kidnappings of Israeli soldiers during the holidays after two of its fugitives were killed earlier this month by Israeli troops.

The covered Mahane Yehuda market in Jerusalem, scene of last-minute shopping expeditions on Sunday, was itself the target of a suicide bombing in July 1997 that killed 15 people and wounded dozens.

Holiday shoppers put those memories aside. Rosh Hashanah is marked by special prayers and readings in synagogues and the blowing of a shofar, or ram's horn.

Most businesses in Israel closed for the holiday, and public transportation stopped running.

Taleban Tortured Them, 5 Freed Iranians Claim

The Associated Press

TEHRAN — Five Iranians released by Afghanistan's Taleban militia returned to Tehran on Sunday, and several said they had been tortured while in captivity, the official Iranian press agency, IRNA, reported.

The five had been held for periods ranging from two months to three years, the agency said.

Iran says the Taleban militia is holding at least 50 more Iranians, most of them drivers delivering food, medicine and other humanitarian goods to needy Afghans.

The Taleban, which controls 90 percent of Afghanistan, says the Iranians were carrying weapons to its opponents in the north of the country.

The Iranian Parliament speaker, Ali Akbar Nateq-Nouri, said Sunday that the Taleban was a threat to Islam. He said Iran would take any action it deemed necessary to its national security.

State-run television also quoted Mr. Nateq-Nouri, a hard-liner, as saying that Iran would not "cave in" to pressure from "any powers."

The United States and other Western countries have urged Iran to exercise caution in dealing with the Taleban.

Tensions between the two sides have risen sharply since the Taleban admitted that its militiamen had killed eight Iranian diplomats and a journalist after capturing the northern city of Mazar-i-Sharif on Aug. 8.

The Taleban returned seven of the nine bodies to Tehran last week.

Iran has massed hundreds of thousands of troops on its border with Afghanistan in response. Taleban leaders say they have rushed troops to the frontier region to repulse any Iranian attack.

Meanwhile, Iranian authorities have closed two more liberal newspapers, apparently because of articles critical of hard-line leaders.

The Iranian Daily reported Sunday that the weeklies Rah-e Nou and Tavana were ordered to stop publishing, the paper said.

GET YOUR MIND WORKING WITH PARIBAS

Two elephants are sitting on a log.
The little elephant is the big elephant's son,
but the big elephant
is not the little elephant's father.
How is this possible?

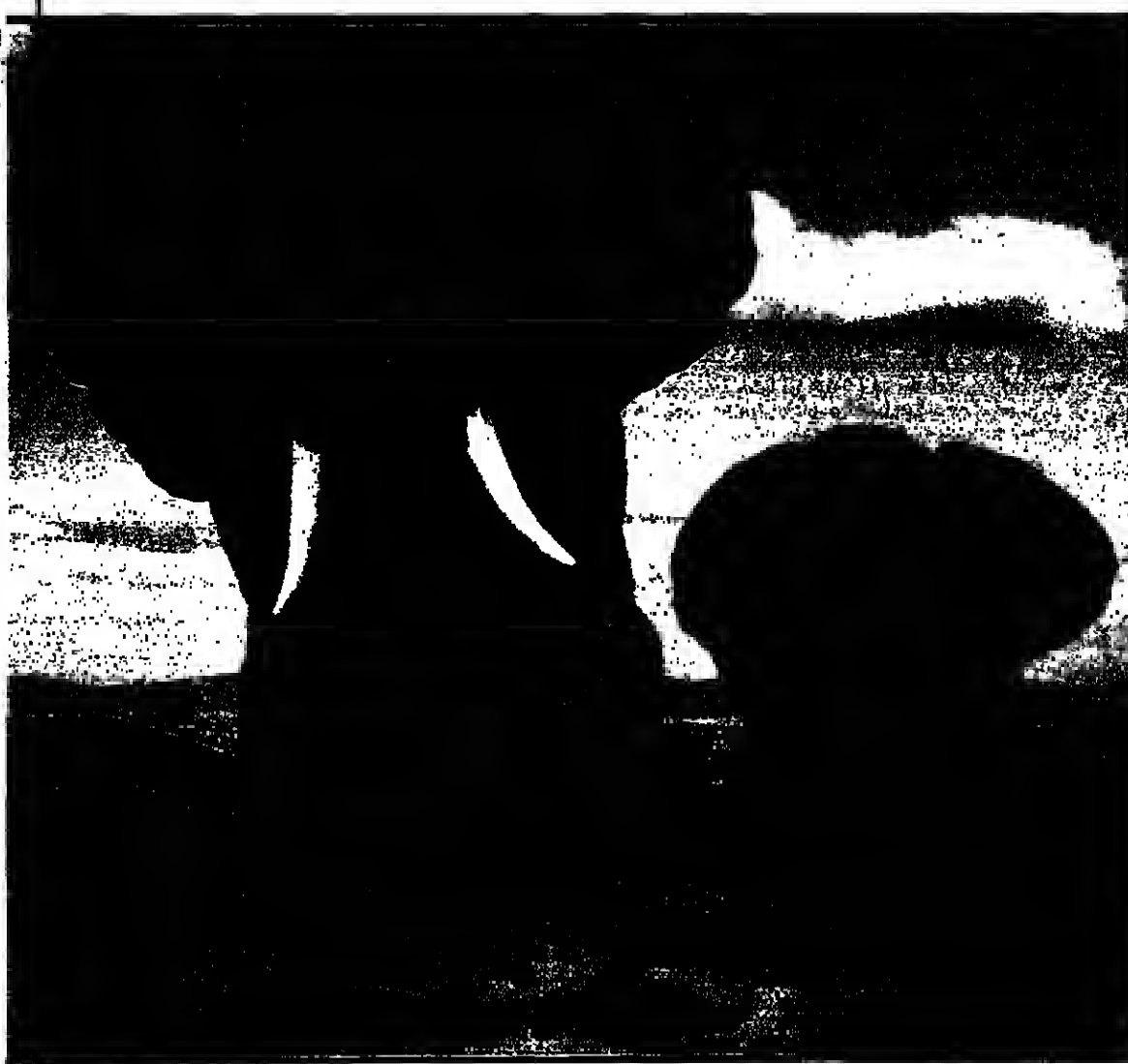


fig. 1

"If you are not my father, I wonder who is?"



fig. 2

"The bigger question is: who am I?"

BRIEFLY

Iraq Will Negotiate With Annan

BAGHDAD — Iraq will send a delegation to New York to meet the UN secretary-general in an effort to resolve the standoff between Baghdad and UN weapons inspectors, an Iraqi official said.

Amir Saadi, an adviser in the president's office, said the meeting would cover a proposal by Secretary-General Kofi Annan to deal with the standoff and the regular review of trade sanctions on Iraq. The sanctions review was suspended by the UN on Sept. 9 after Iraq, demanding a reduction in what it calls excessive U.S. influence, stopped cooperating with weapons inspectors. (Reuters)

Reveler at Oktoberfest Dies

MUNICH — Heavy alcohol and drug consumption was blamed Sunday in the death of a young German on the opening day of Munich's Oktoberfest beer festival.

The 24-year-old Munich man collapsed late Saturday after getting off an amusement ride and died 20 minutes later in a hospital, the police said. They said he had drunk 5 liters (1.3 gallons) of beer and had taken illegal drugs.

More than 6 million people are expected to visit the 165th annual Oktoberfest, which runs until Oct. 4. (AP)

End to Congo Conflict Is Seen

NAIROBI — President Yoweri Museveni of Uganda said Sunday he was optimistic that regional leaders would soon end the conflict in Congo, despite many failed attempts.

"They cannot allow themselves to squander resources for such futile conflicts," Mr. Museveni said on the BBC, monitored in Nairobi.

Mr. Museveni and his counterparts from Zambia and Tanzania agreed Saturday that there must be a cease-fire in Congo and that foreign troops should withdraw. Angola, Namibia and Zimbabwe are fighting for President Laurent Kabila of Congo, who accuses Uganda and Rwanda of backing rebels who are trying to topple him.

Mr. Museveni said again Sunday he would keep troops in Congo as long as necessary to ensure his country's security. Ugandan, Rwandan and Burundian rebels operate in eastern Congo. (AP)

Libya Hesitant About Trial Site

TUNIS — Libya said Sunday it had reservations about an agreement between British and Dutch authorities for an air base in the Netherlands to be used as the venue for the trial of two Libyans in the Lockerbie bombing.

The Libyan news agency JANA, monitored in Tunis, quoted a Foreign Ministry official as saying the venue should be agreed on by all parties, including the two suspects, Abdel Baset Ali Megrahi and Lamien Khalifa Fhimah. The official said Libya reserved the right to inspect the chosen venue, Camp Zeist, part of the Soesterberg base near The Hague.

On Friday, the Dutch government said it had drafted a legislation to allow the trial, for the 1988 bombing of a Pan Am over the Scottish town of Lockerbie that killed 270 people, to go ahead on its soil under Scottish law.

The UN Security Council has voted to suspend sanctions against Libya, including an air embargo and a ban on sales of some types of oil equipment, upon the arrival of the Netherlands of the two suspects. (Reuters)

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Net worth
US \$12 billion

70% of revenues
generated
outside France

SIZE IS MISLEADING

The question above demonstrates how language and prejudice can make us leap to conclusions. Corporate banking is particularly rife with misconceptions.

Few realize, for example, that Paribas with total assets of over US \$290 billion is one of the top three banks in commodities and trade finance and a major player in media where it ranks N° 2 in Europe.

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Yet to some people who view banking from a distance, a more familiar name somehow just sounds bigger. And often for no reason at all.

Which brings us back to that log and those elephants and the moral of this story which is "never assume".

We assume that because we say "big elephant" it must be male. In fact, the big elephant is the little elephant's mother. <http://www.paribas.com>

 PARIBAS Thinking beyond banking

HEALTH/SCIENCE

TOMORROW
STYLE

One Doctor, 370,000 Nurses, and a Bounty of Findings

By Carol Kaesuk Yoon
New York Times Service

NEW YORK — More than 20 years ago, a doctor who was curious about the effects of long-term oral contraceptive use sent questionnaires to 370,000 registered nurses.

The answers he and colleagues received have turned into the largest and longest repeated follow-up study of a group of women, a fountain of information about health, in particular women's health.

The project, known as the Nurses' Health Study, has yielded more than 200 published findings, including these:

- Hormone replacement therapy can increase the risk of breast cancer and decrease the risk of heart disease and osteoporosis.

- Margarine can increase the risk of heart disease.

- Vitamin E can protect against heart disease.

- One or two drinks a day can increase the risk of breast cancer while protecting against heart disease.

These findings, and many more, have altered how people eat and drink and live their lives. Some scientists call the study the single greatest contributor to understanding women's health.

But this huge scientific effort has only begun to pay its dividends. With many of the original participants now entering their 60s and 70s, the study promises to bequeath an even greater wealth of knowledge, much of it otherwise unattainable, about how a lifetime of choices in food, drink, exercise and medications can translate into protection from or increased risk of deadly and debilitating diseases.

"It was a brilliant idea, a unique idea," said Leslie Bernstein, an epidemiologist at the University of Southern California. "It's one of the largest studies ever to have been assembled. They were leaders, ahead of their time. Now everybody is trying to emulate what they've done."

The study began in 1976 when Frank Speizer, the Edward H. Kass professor of medicine at Harvard Medical School and co-director of the Channing Laboratory at Brigham and Women's Hospital, sent the first health questionnaires and received more than 120,000 responses.

"As we began to gather data it became very clear that we could expand the study," Dr. Speizer recalled. "The excellent cooperation of the nurses is the most important part."

More than 90 percent of the original respondents still answer a questionnaire every other year, telling what they eat, what medicines they take, what illnesses they have had and whether they drink, smoke, exercise or take vitamins — among other things.

The fact that those answering the questions are nurses means their an-

swers are reliable, the researchers say. Plus, the researchers can gather blood and other samples, simply by sending a request and a few collection supplies, something that could never be done with the public.

By knowing these women's experiences, researchers can look at the histories of those who have contracted diseases and compare them with those who have not and begin teasing out the important factors in determining a woman's risk for a particular illness.

Since the study began, Dr. Speizer

One person could not predict her fate by examining the findings of the study — the numbers produced are simply average outcomes over a range of women with different genetic backgrounds. By looking at the variation in the genes of women who contract or do not contract diseases with the wealth of data on their exposure to a variety of substances, researchers hope to begin to solve this most complex of problems.

"Hopefully, we can help women understand what lifestyle changes are most important to them with their genetic makeup to prevent disease," said Sue Hankinson, an epidemiologist at the Harvard School of Public Health who is leading the blood work. "Ultimately we could provide a much more individual kind of recommendation."

As the women in the study age, researchers will also be able to continue to identify protective or beneficial diets, activities and habits associated with a healthier, longer life.

By 1989, the study had already proved to be such a good source of information that the team of researchers began a study of younger nurses, enrolled at an earlier age, called Nurses II. Researchers have even enlisted the children of the women in Nurses

II in another study to look at the risk factors for adolescent obesity, which Graham Colditz, an epidemiologist at Harvard Medical School heading the study, described as reaching epidemic proportions.

After so many years of working together, the study has produced a bond of deep mutual respect between researchers and the nurses, whom they call their collaborators. "This group of women has been so tremendously dedicated," said JoAnn Manson, an endocrinologist at Harvard Medical School, echoing her many colleagues' sentiments. "They have been the trailblazers in terms of helping us to get the answers."

The nurses themselves say they actually look forward to hearing from the researchers.

"It's been wonderful," said Irene Kilroy, 62, a nurse at Good Samaritan Hospital in Brighton, Massachusetts, who said she always answers the questionnaire the day it arrives. Mrs. Kilroy, who was among the 800 nurses who gathered last year to celebrate the 20th anniversary of the study and its results, added, "We feel we've made a wonderful contribution."

The questionnaire varies with research interests, but has consistently grown, now running about six pages and taking the women from 20 minutes to more than an hour to complete. Using a form, like an SAT answer sheet, that will be optically scanned, the women record information like how often they eat specific foods with choices ranging from never to six times a day or more. They also write in more detailed in-

formation like which brand of vitamin or cereal or cooking oil they use.

All this self-examination has its effects, said Barbara Dwyer, 65, a nurse from Medford, Massachusetts, who said she is proud to be part of the study.

"It does make you think more about your weight and smoking and exercise," she said. "I did stop taking the hormone therapy, and I really watched my weight more."

So it is with mixed feelings, at best, that the researchers wait for enough of these women to succumb to disease and die, the necessary first step before the database will be, in the euphemistic language researchers adopt, "rich enough" or "powerful enough" to offer useful information about illness and death.

Meir Stampfer, an epidemiologist at the Harvard School of Public Health who reviews the death records and officially assigns a cause of death to par-

ticipants, describes the process as "a little creepy."

The study has become a model for many other projects around the country. The Iowa Women's Health Study, a project started in 1986 with 42,000 women who were licensed drivers in Iowa, studies body fat and diet and disease using the Harvard questionnaire. The Teachers Study in California, begun in 1996, has enlisted 135,000 women in cancer research.

At first, skeptics abounded.

Walter Willett, an epidemiologist and physician at the Harvard School of Public Health, who has been with the study since its second year, said that early on there was great skepticism over the worth of such an endeavor.

"When we started, smoking was thought not to be a risk factor for heart disease in women," Dr. Willett said. "People said there was no variation in diet and that people couldn't remember

what they ate, so the whole field was hopeless. You only have to scratch the surface to see that people eat differently for many different reasons. These are things we take for granted now."

In addition, because the study is based on responses to questionnaires, it can only identify associations between risk factors and diseases, unlike a randomized, clinical trial in which participants are assigned to specific treatments, testing whether a risk factor causes a disease. As a result, some have questioned the validity, in particular, of the study's more surprising results.

"The Nurses' Health Study was basically jeered at and taken to task for the finding that there was a connection between alcohol and breast cancer," Dr. Stampfer said. "We were mocked for coming up with a seemingly silly and unsubstantiated result. But now it's turned out to be pretty well accepted."



Dr. Speizer with Dr. Hankinson at a lab where nurses' blood is kept.

has been joined by many scientists from around the world seeking to capitalize on this unique trove of data. Researchers have been able to identify risk factors for more common diseases, like breast, colon and lung cancer, diabetes and heart disease. In the future, researchers say they will be able to identify risk factors for rarer conditions, like lymphoma, kidney cancer and bladder cancer, as well as afflictions more common later in life, like stroke and senility.

"Everyone is afraid of losing their memory," said Francine Grodstein, an epidemiologist at Brigham and Women's Hospital who is leading the new effort to determine whether using aspirin, taking hormones or other lifestyle choices prevents declines in cognitive function.

AMONG other things, Dr. Grodstein is expanding the study with a telephone test that researchers will repeatedly administer to participants over time. Researchers have spoken with about 2,000 of the women, asking questions like "Who is the president?" and reading a list of 10 words, which the participant is asked to repeat, all typical tests of mental function.

Researchers are also beginning to study the blood samples of 30,000 women, looking for pesticide residue, antioxidants and naturally produced hormones. Over time they will be able to discern what connection, if any, these or other substances have to the incidence of cancer. They can also use the blood samples to look for genetic factors.

relationships are seldom portrayed."

Ann Davis, once a gynecologist for adolescents at the Floating Hospital in Boston, said: "Often when I ask a young teen whether she is sexually active, she will seem ashamed to admit that she is not."

Virginity may no longer be the prize it once was. Nor does having an abortion or bearing a child out of wedlock carry the stigma it used to. Still, these are hardly desirable options for young people, whose primary goals should be to get an education and acquire skills to be able to support themselves.

Let's you think that girls who have sex do so because they find it irresistible, in a 1992 national survey, 25 percent of them said that their first experience was "voluntary but unwanted." Experts in the field say that age 9 is none too soon to teach girls how and why to say "no" and what to do should they say "yes."

The problem admittedly is not easy to tackle. A study published this summer in the journal Family Planning Perspectives disclosed that girls who have intercourse at an early age, as well as those who fail to use contraceptives and those who have children, tend to be depressed, have low self-esteem and possess little sense of control over their lives.

Thus, reducing the incidence of early and risky sexual activity may involve much more than instruction about sex and contraception. It may require giving girls a reason to be hopeful and an opportunity to believe in themselves and their ability to make something of their lives.

Programs like two developed by Girls Inc., "Growing Together" and "Will Power/Won't Power," have proved effective in delaying sexual activity among young girls. "Growing Together" involves five two-hour mother-daughter workshops designed to foster communications about sexuality and other sensitive issues. "Will Power" is an assertiveness training program designed to help young teenagers refuse to become sexually active without jeopardizing their friendships and popularity with peers of both sexes.

You can contact the program on the Internet at: www.girlsinc.org.

Teenagers and Sex: Many Risks

By Jane E. Brody
New York Times Service

NEW YORK — More so than people in many other industrialized countries, the American public is ignoring a serious sexual scandal — the young ages at which teenagers now engage in sexual intercourse, more often than not risking pregnancy and sexually transmitted diseases, including AIDS.

Millions of children are at risk of having unsafe sex, and it is critical that they learn how to resist pressures in do so and how to protect themselves.

While there has been a decline in the teenage birth rate because of the increased use of contraception and a leveling off of sexual activity among teenagers, there are still too many girls and boys engaging in reckless sexual activity. Teenage pregnancy rates are much higher in the United States than in many other developed countries — twice as high as in England and in Canada, for instance, and nine times as high as in Japan.

Teenagers, parents and teachers should be aware of the findings of a study conducted in New Zealand among more than 900 21-year-old men and women. As studies have found in the United States and Britain, the New Zealand study reported that half the men questioned reported having intercourse for the first time by age 17 and half the women by age 16. In New Zealand, nearly a third of the women and 38 percent of the men were 15 or younger when they first had sex. But looking back, many who became sexually active in their early or mid-teens had regrets about starting so young.

Now older and wiser, 54 percent of the women and 16 percent of the men said they should have waited longer before engaging in sexual intercourse, and among the women whose first sexual experience occurred before age 16, 70 percent said they wished they had waited.

According to the study's findings, which were published in January in the British Medical Journal, 13 percent of the men who first had intercourse before age 16 contracted a sexually transmitted disease, as against only 6 per-

cent of those who waited longer to initiate sexual activity. Among the women, the comparable figures were 28 percent and 12 percent.

Although the New Zealand researchers did not ask about the use of contraception and unwanted pregnancies, studies in this country have shown that 22 percent of girls 15 through 19 fail to use contraception the first time they have sex. And among 1,510 Americans, ages 12 through 18, questioned in 1996, less than half reported consistently using contraception.

As might be predicted, each year in the United States, about 3 million teenagers acquire a sexually transmitted disease. One-fifth of the people diagnosed with AIDS are in their 20s, and most were infected as teenagers. And each year nearly 1 million teenage

Experts say that age 9 is none too soon to teach girls how and why to say "no."

girls, including 20 percent of sexually active girls 15 through 19, get pregnant. Teenage pregnancy rates have more than tripled from 1960 to the early '90s, with about 40 percent of girls getting pregnant before they turn 20. One-fifth of the unmarried teenagers who get pregnant do so within the first month of first intercourse and one-half within the first six months. With little instruction at home or at school on how to resist the pressures to have sex and with even more erratic access to effective contraception, such consequences are hardly surprising.

The New Zealand researchers, from the University of Otago Medical School in Dunedin, cited familiar reasons for the falling age at which first intercourse occurs. "Children are exposed to sexual images through the media," they wrote. "Social and peer pressure may arise from the portrayal of sex as glamorous, pleasurable and adult, while negative consequences and the responsibilities involved in sexual

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THE WORLD'S DAILY NEWSPAPER

The Health of Working Women

By Judy Mann
Washington Post Service

WASHINGTON — One-quarter of women report that they work with a substance that is harmful if they breathe it or get it on their skin. Three-quarters of them have protective gear, but half of those never use it or use it only sometimes.

Sixty million American women are now working. They are staying in the workplace longer than ever before, and in increasing numbers they are going into nontraditional jobs. But much of the workplace, including protective gear, remains tailored to male workers, as is most of the research on the work environment and health.

These were among the observations made by experts at a conference here last week that brought together heavy hitters from medicine, science, the environment and various advocacy organizations to examine issues relating to women's health and the environment.

The conference was co-sponsored by

the U.S. Office of Women's Health, the U.S. Public Health Service and the Society for the Advancement of Women's Health Research. Organizers said it was the first to cover a broad spectrum of such health issues.

If there was one unifying theme, it was that more research needs to be done to identify factors in the environment that have a particularly negative impact on women.

Sheila Hoar Zahn of the National Cancer Institute described certain occupational cancers that are showing up among women:

- In the agricultural sector, where women are exposed to pesticides, fuels and sunlight, they are showing elevated rates of cancers, including ovarian, one of the deadliest.

- Elevated incidents of bladder and nasal cancers are showing up in the textile industry. Women who work at dry cleaners are showing elevated rates of esophageal, kidney, bladder and ovarian cancers as well as leukemia.

- Breast cancer is frequently seen in nurses, Ms. Zahn said, and the rates are

higher if nurses have handled chemotherapeutic agents and X-rays. While the percentage of cancers that are due to occupational exposure was relatively small — in the 5 percent range — blue-collar workers were disproportionately hard-hit.

But Ms. Zahn warned that much of the information on occupational cancers is based on old data, gathered from a time when far fewer women were exposed to workplace carcinogens.

"Many women are in new industries, such as the semiconductor industry," she said, "and there are no studies" yet available on how they are faring. She added that the occupational data on death certificates and medical records are generally poor.

"Often if she is retired and she's been home for three years, her occupation is listed as housewife, not factory worker."

Compounding the difficulty of determining the impact of workplaces on women's health is the fact that men and women often have the same job titles yet perform very different duties.

LANGUAGE

The Fossils of Techno-Terminology

By Jack Rosenthal

NEW YORK — In 1965, Gordon E. Moore, co-founder of Intel, boldly predicted that the power of computer chips would double every 18 months. Moore's Law has turned out to be remarkably prescient — about the content of computers. It is no guide, however, in the content of communication. There are no automatic upgrades, updates or new releases for language. English is studded with fossils of techno-terminology, and how we use them tells much about how language does change.

Sometimes, the change is generational: The parent says "hi-fi"; the teenager, "stereo." A child of the 1920s "turns up the Philco," while a child of the '70s, in unconscious homage to the Victrola, "cranks some tunes." What do you call a refrigerator? In the '40s, when ice trucks, long and picks were still common, many people said "icebox" even when referring to the electrified version. Now, most people say "fridge"; in Germany, many still say "Frigidaire."

A more interesting source of language change arises when the context changes even though the word stays the same. Consider the verb "dial." A sizable fraction of the population has never used a dial phone, yet the term remains indispensable. No matter how skillfully old movies can be colorized, it's silly even to think about updating titles to, say, "Touch M for Murder."

A whole generation has passed since

music relied on scratchable 33½ or 45 rpm platters, and two generations since breakable 78s. The actuality of a needle stuck in the same wa-wa sound is now rare. Yet "sounds like a broken record" remains the common impatient simile for boring repetition. Indeed, people still use "record" and "album" to describe the now ubiquitous CD.

What goes for voice communication applies also to correspondence. Notice the header on your last e-mail message. People who have hardly ever seen carbon paper routinely send out cc's, carbon copies. There is no convenient way other than bcc, blind carbon copy, to say, "I'm sending you a copy without informing the addressee." It has been decades since radio announcers urged listeners to tune in next week — "same time, same station" — but the phrase remains useful and hence common.

Some such expressions remain so dear to writers that they endure as clichés even though they are now so dated that they purely mystify readers. "Stemwinder," for instance, it continues to appear in political reporting as a way of describing a partisan oration. Once, it meant modern and up to the minute, deriving from the invention of a watch wound by a knob, replacing a key. But as the regular writer of this column notes in "Saffire's Political Dictionary," that change was patented in 1866. In this era of quartz and batteries, 25 presidents later, when is the last time any of us actually wound a watch stem?

Many people know that "over the transom" refers to unsolicited manu-

scripts sent to publishers; few of them have ever seen the kind of inside ventilation window that used to exist over office doors — through which, presumably, unbidden authors tossed their undiscovered triumphs.

Another example, "nickel and dime," reappeared during the recent sale of the Woolworth Building, the stately white tower in New York, by the company that has now taken the name Venator Group. Even so, "nickel and dime" endures as an adjective describing the discount stores of yesterday. In another context, it's a verb that means to drain away a little at a time. In still another, it's an adjective meaning cheap.

These are not mere anachronisms or curiosities. They reflect an underlying characteristic of language. The meaning of words comes not from the dictionary but from the social contexts in which they are used. As the contexts change, so do the meanings.

In her book "Talking Voices," the linguist Deborah Tannen observes that meaning is not derived from expressions directly, but a process of deconstruction according to definitions and rules, but... in a leap of association. "Whatever their literal derivation, words come to mean what we need them to mean. The nearest rotary phone may be 20 miles or 20 years distant, but everyone knows what it means to dial."

Jack Rosenthal is editor in chief of The New York Times Magazine. William Safire is on vacation.

BOOKS

BIRDS OF AMERICA

By Lorrie Moore. 291 pages.
\$23. Alfred A. Knopf.

Reviewed by Michiko Kakutani

IN one of Lorrie Moore's earlier books, a character describes a flock of birds: "From four blocks away, I could see that the flock had a kind of group-life, a recognizable intelligence; no doubt in its random flutters there were patterns, but alone any one of those black birds would not have known what was up. Alone, as people live, they would crash their heads against walls."

Those poor feathered creatures, of course, are stand-ins for Moore's own characters — lost, lonely people floundering through life, banging their heads against walls, their hearts against old restraints, as they migrate from relationship to relationship, home to home.

In Moore's resonant new collection of stories, "Birds of America," these people are slightly older than their predecessors in "Self-Help" and "Like Life," more conscious of the rumble of mortality beneath the shiny formulae of daily life. They still make jokes all the time — to ward off hurt and disappointment — but there is something sadder and wearier about these characters, a realization, as they drift toward middle-age, that "every arrangement in life" carried with it the shadow "of its not being something else."

Like the writer-heroine in one of these stories, Moore is a skilled craftsman, capable of doing "quasi-amusing phone dialogue," "succinct descriptions of weather" and "screwball outings with the family pet" with her left hand. The

stories in this volume, however, also attest to far deeper gifts. They attest to Moore's ability to map the emotional landscape of people in transition, people who have run smack up against the limits and limitations of their lives, people who feel themselves to be outsiders in their own families and marriages.

Many of these people are actually exiles of sorts: on the lam, on vacation or simply on the road, in search of someone or something that's been missing in their daily lives. One story follows the peregrinations of a homosexual couple — "two more lost boys in America" — as they traverse the country, trying to shake their sense of homelessness, even as their own relationship founders and threatens to come apart.

Another story chronicles a trip to visit the magical Blarney Stone in Ireland made by a disaffected woman and her mother, and their realization that the "dares one made oneself commit didn't change a thing" — "they were all a construction of wish and string and distance."

As in Moore's earlier stories and novels, many of the characters in this volume are women trapped in — or abruptly ejected from — shopworn relationships. High strung, self-conscious and more than a little caustic, they tend to be vaguely artistic or literary types, who take up with men they patronizingly regard as being more comfortable coping with the trivialities of daily life, men who read "Anto Week," sell real estate or yogurt, men who do not feel "demeaned or trivialized" by discussions about lawn mowers and grass clippings and storm windows.

Abby marries Bob after her dog, Randolph, dies of kidney failure, and "marriage to Bob seemed the only way

to overcome her grief." Sidra continues seeing an auto mechanic named Walter, even though he has already extrapolated the doomed arc of their relationship in her head: "She would yell; then he would yell. He would have an affair; then she would have an affair." And Agnes marries Joe, a realtor 12 years her senior, only to find that her life now resembles a glass of water: "half-empty, half-full. Half-full. Ooops: half-empty."

Acutely aware of her characters' obsession with their own emotional temperatures, Moore can be devastatingly funny about their self-absorption and their awareness of their self-absorption.

Yet, Moore also grapples in these stories, as she has sometimes been reluctant to do in the past, with the real sadness and grief in her characters' lives. Two of them have siblings with serious, intractable illnesses. One of her heroines has had to live with the knowledge that she accidentally killed a friend's baby; another has learned that her own baby is suffering from a rare form of cancer.

Though these stories might sound in summary like movie-of-the-week scenarios, Moore writes with such psychological precision, such sharp, unsentimental knowledge of her characters' hopes and fears that she's able to invest these melodramatic situations with a heart-felt understanding of the precariousness of everyday life, its unexpected losses and terrors.

At once sad and funny, lyrical and prickly, "Birds of America" not only reaffirms Moore's virtuosic skills as a writer, but also attests to the deepening emotional chiaroscuro of her wise and beguiling work.

New York Times Service

BRIDGE

By Alan Truscott

THE world championships in Lille, France, brought victories to several countries. Italy won the Open Teams, after barely surviving a semi-final match against an American team. Austria won the Women's Teams, Poland the Open Pairs, the United States the Women's Pairs and Italy the Mixed Pairs.

Two of the world's most famous players, Zia Mahmood of Manhattan and Bob Hamman of Dallas, joined forces for the Open Pairs and finished 21st. They would have been

much higher but for a major blow on the diagramed deal played at the start of the final.

They sat East and West. North and South were Krzysztof Lukaszewicz and Roman Kierznowski of Poland, who began with one club. In Polish methods, this can be a minimum balanced hand or a variety of strong hands.

They landed in six spades after their opponents had bid and raised diamonds. Hamman led the heart queen, which was won in the dummy.

South cashed the spade ace and thought hard when Zia produced the 10. He took into

account the fact that Zia had made a vulnerable overcall and played him for a singleton. He crossed to his hand by cashing the diamond ace and ruffing a diamond. Then he led the spade nine and finessed against the jack. When this worked, he was able to lead to the queen, return to the club ace and draw the missing trump.

Whether this was the right play is debatable, since Zia might well have had J 10 or J 10 x. But it worked, the Vulgar audience cheered. Kierznowski, and Zia and Hamman collected 2 match points out of a possible 70.

NORTH		EAST	
♠ A Q 6	♠ 10	♠ 10	♠ 10
♥ A K 9 4	♥ 2 7	♥ K Q 8 4 2	♥ 8 0 4 2
♦ A 7	♦ 3	♦ 3	♦ 3
♣ K J 10 8	♣ 3	♣ 3	♣ 3

SOUTH (D)		WEST	
♠ K 9 8 4 2	♠ 5 3	♠ 5 3	♠ 5 3
♥ 10	♥ 10	♥ 10	♥ 10
♦ A Q 7 5	♦ 3	♦ 3	♦ 3

East and West were vulnerable		The bidding:	
South	West	North	East
1♣	1♦	1♠	1♠
1♥	2♣	2♣	2♣
4♣	4♣	4♣	4♣
4♣	4♣	4♣	4♣
5♣	5♣	5♣	5♣
Pass	Pass	Pass	Pass

CROSSWORD

ACROSS
1 Actor Baldwin
5 Will-o'-the-wisp locale
10 Peninsula south of California
14 Watch face
15 Bone below the femur
16 Socratic
17 Prefix with -nautics
18 Top talent
19 Strauss & Co.
20 Teletype

23 Sacred
24 WSW's opposite
25 Cowlike
26 Disaster often not covered by insurance
27 Sports event site
28 "... bombs bursting..."
29 Doctors' org.
30 Anthem
31 Possible answers for 20-Across
32 Proverbial inheritors
33 — nutshell

40 Fine china
41 Andrew Wyeth's "Pictures"
42 Come crashing down
44 Astronomical object with a large red shift
45 It's south of Eur.
46 Heaven's Gate, S.G.
47 D, often
48 Prod
49 Foo oases
50 Too
51 Good luck symbol for King Tut
52 "You — kidding!"
53 Animal with a mane
54 Medicine
55 Soup onions
56 Cuts with garden shears

58 Odds and ends: Alibi
59 Tenuously weak, as an excuse
60 Dogma
61 With: Fi
62 Jazz talk
63 — Babe
64 Island of the Inner Hebrides
65 — about (approximately)
66 Acronymic computer language name
67 Maine college town
68 Open to bribery
69 One place to hook up the jumper cables
70 Give a hoot
71 Scotch Highlanders
72 Symbol of resistance
73 Capital of Senegal
74 Nigerian natives
75 "Thumbs up" signification
76 Spaghetti topper
77 Sound's partner
78 Dance done in grass skirts
79 Crow's-nest cry
80 Grand speeches
81 Solid portion

Solution to Puzzle of Sept. 18

CRAFTED TALONS
RETURN ENVELOPES
OPENED AN ACCOUNT
CONJUNCTIONS LOSSES
ESPY AVE
ALLOP ELMAN
SGT SNORKEL EAVE
CAUTIONARY TALES
ALTA SOPRANIST
BLURB TITAN
PRI YWCA
ACHTUNGSTWASACROL
TRIUMPHS HASTING
MIRACULOUS INSTITUTE
SYSTEM PRESSER

1 Actor Baldwin
2 Stead
3 Viscount's superior
4 Dude
5 Paper clip alternative
6 "Free" whale of
7 Irish Rose's guy

47 Naughty deed
48 Acorn sources
49 Order after "am"
50 Logic diagram
51 Hedgepodge
52 Initials on a brandy bottle
53 Incalculable amount of time
54 Tank filler

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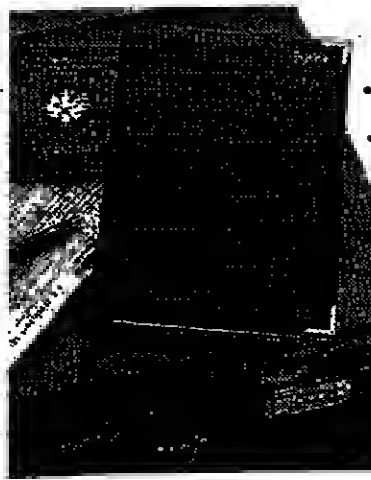
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CAPITAL MARKETS ON MONDAY

U.S. Businesses Urge Federal Reserve Cut Rates to Avert a 'Domino Effect'

By Tim Smart
and John M. Berry
Washington Post Service

WASHINGTON — From his office overlooking the docks in Portland, Oregon, Scott Loney can see the effects the Asian crisis is having on America as he watches empty containers pile up.

Mr. Loney, president of Griffith Rubber Mills Inc., believes the U.S. economy could benefit from an interest-rate cut.

In the offices of the Federal Reserve Board in Washington, the view is more opaque. Here, after recently acknowledging that the escalating financial crisis could threaten American prosperity, Chairman Alan Greenspan is weighing whether short-term interest rates should be reduced when Fed policymakers meet next week.

"We're asking the chairman to be

proactive," said Mr. Loney, who heads the National Association of Manufacturers' small- and medium-size business subcommittee.

Businesses want lower rates for a variety of reasons, some of them openly self-interested. Some argue that cutting the cost of consumer and business borrowing would stimulate a cooling U.S. economy and counterbalance falling foreign demand for U.S. goods. Others believe easier credit would give a crucial psychological boost to financial markets on Wall Street and overseas.

"It's the domino effect," Mr. Loney said. If shipments to Asia are slumping, he reasons, there will be less demand for trucks to carry U.S. goods to and from the ports—and eventually less need for his company's products, window casings for heavy trucks and buses.

A prototypical small businessman, Mr. Loney has some big-league com-

pany in the call for lower rates. Jack Smith, chairman of General Motors Corp., called last week for the Fed to ease rates. In a speech to the Economic Club of Detroit, Mr. Smith warned that even though U.S. cars and trucks are selling at record levels, the U.S. econ-

omy depends on stability abroad.

"We believe the Federal Reserve could, and should, ease the burden," Mr. Smith said, "by cutting interest rates and adopting a more expansive monetary policy. First, there would be more dollars available in the world, and second, increased demand in the U.S. would help offset some of the contraction overseas."

A group of the chief executives of the largest companies in the United States, the Business Roundtable, on Wednesday joined the chorus for lower rates. It is not surprising that manufacturers want lower rates: Cheaper borrowing would be expected to increase consumer

spending. Nor is it surprising that Wall Street wants easier credit: Pumping more money into the economy usually bolsters the stock market.

But those calling for cuts say they are motivated more by the greater good. They contend that lower U.S. rates would send more dollars into the world financial system, probably lowering the value of the currency and thus strengthening the relative value of battered foreign currencies. They hope a rate cut also would give a psychological lift to markets in Asia and Latin America and developing countries that are looking to

the United States for leadership.

On Wall Street, bond and stock traders struggling with financial instability overseas probably would greet a rate cut with open arms. Stocks tend to rally even at the hint of falling interest rates.

Earlier this month, Mr. Greenspan suggested that the Fed had moved away from considering a rate increase to guard against inflation toward a more neutral stance on short-term rates. The Dow Jones industrial average soared 380 points on the first trading day after the Fed chairman's comments.

Mr. Greenspan's remarks Sept. 4 clearly showed that the door to a rate cut is open, if events overseas prove ominous for the U.S. economy. But his testimony last week to the House Banking Committee, that there was no immediate plan by central banks for a coordinated easing of monetary policy, disappointed some who had interpreted his earlier speech as a hint that a rate cut was coming.

More likely, some Fed observers said, Mr. Greenspan is still undecided.

But market rates, set by bond traders on Wall Street and around the world, already are below the overnight rate that the Fed sets for banks, suggesting that the Fed already have factored in a lowering of rates. That means the effect of a Fed easing might be muted, given that mortgage rates are at 30-year lows and that borrowing costs for most consumers and businesses are favorable.

Still, the continued crisis in foreign markets is hurting issuers of securitized debt, such as Sallie Mae, the Student Loan Marketing Association, which find their own borrowing costs rising as investors seek a greater premium over the rates offered by U.S. Treasury bills. Spreads, or the gap between what investors will pay for private-sector debt over U.S. government debt, have widened dramatically recently, raising borrowing costs for many debt issuers. "This is the case where if the Fed lowered overnight rates you would see an immediate decline in private-sector rates," Lou Crandall, chief economist for R.H. Wightson & Associates, a bond-market research firm.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Sept. 18. Prices supplied by Telekurs.

Risk Name Cpn Maturity Price C/Yld

Austrian Schilling

134 Austria 5 01/15/98 105.9500 4.7200

227 Austria 6 07/15/97 117.6 5.2200

Belgian Franc

209 Belgium 0 12/10/98 99.2409 3.3300

British Pound

167 France 0 04/07/92 102.8750 4.6800

223 UK 10 04/01/98 53.0000 20.2800

227 US 6 12/29/94 104.2500 7.5600

Danish Krone

19 Denmark 8 05/15/93 114.5500 4.9800

22 Denmark 8 02/15/94 121.0400 4.4100

24 Denmark 9 11/15/90 109.8300 8.3300

41 Denmark 7 11/15/92 116.3800 5.4900

51 Denmark 7 11/15/92 122.8800 5.7300

63 Denmark 4 12/15/91 101.5900 5.9100

74 Denmark 4 02/15/91 98.7800 4.6500

95 Denmark 7 12/15/94 112.5900 4.2000

101 Denmark 11 01/15/91 113.9500 7.2500

106 Denmark 4 10/1/92 96.9500 4.1900

107 Denmark 4 10/1/92 97.1500 4.1800

108 Denmark 4 10/1/92 96.2600 4.0900

117 Denmark 4 02/15/91 101.5900 5.9100

174 Denmark 4 02/15/91 106.5300 5.9700

203 Denmark 7 10/1/92 100.7100 4.0700

217 Denmark 7 10/1/92 100.3300 4.9900

Deutsche Mark

1 Germany 4 07/04/97 114.5300 5.2400

2 Germany 5 01/04/98 109.6943 4.7900

3 Germany 4 02/15/94 100.0891 4.2500

4 Germany 4 02/15/94 102.9640 4.7100

5 Germany 4 02/15/94 100.8100 3.9700

6 Germany 4 02/22/92 115.6575 4.7200

7 Germany 5 02/15/94 113.9500 7.2500

8 Germany 4 02/15/93 103.4114 4.5300

9 Germany 4 01/04/97 113.2900 5.2900

10 Germany 4 02/15/92 113.5214 4.2900

11 Germany 5 11/15/92 104.9686 4.5000

13 Germany 4 02/15/93 103.1600 4.3600

14 Germany 4 02/15/93 103.8900 4.5100

17 Germany 7 01/03/95 119.9500 6.1900

20 Germany 4 11/20/91 103.2914 4.6900

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22 Germany 4 01/05/94 112.5400 5.3300

23 Germany 4 02/15/93 116.6114 4.5800

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26 Germany 7 10/1/92 115.1663 4.3700

30 Germany 4 02/22/92 102.8288 4.3900

31 Germany 7 01/29/93 113.4038 4.2900

32 Germany 4 02/15/92 114.1971 4.4700

34 Germany 4 10/1/92 115.4614 5.2300

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36 Germany 4 02/15/94 114.4404 5.2300

37 Germany 4 12/17/99 100.9800 4.3100

38 Germany 4 03/1/90 100.7900 3.9700

39 Germany 4 02/15/94 121.0400 4.4100

40 Germany 5 02/15/94 103.9500 4.7600

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Risk Name Cpn Maturity Price C/Yld

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Treasuries Alert to Japan's Reforms

Compiled by Our Staff From Dispatches

NEW YORK — The U.S. Treasury bond market will focus on stocks this week but will be sensitive to proposed reforms in the Japanese banking system, traders and analysts said.

Investors have flocked to Treasury securities in recent months as a refuge from falling stocks, driving the 30-year bond yield down about 90 basis points since April.

The yield on the benchmark 30-year bond finished the week at 5.15 percent, down from 5.23 percent the previous week.

Russia devalued its currency and defaulted on some debt last month, and concern is increasing that Brazil might be forced to devalue as well.

"If there were to be a highly credible workout of the banking problem in Japan, then you're going to see the possibility of some steam coming out of the market," said Suzanne Greenberg, fixed income portfolio manager with Cumberland Advisors in New Jersey.

On Friday, Japan's Liberal Democratic Party and the leading opposition reached an agreement that would strip the Finance Ministry of its ability to determine which banks should be liquidated, nationalized, or merged.

The government also will bail out the troubled Long-Term Credit Bank of Japan Ltd. by putting it under public control temporarily.

"If the Japanese banking reforms

were really deemed to be aggressive and credible," it could weigh on Treasuries, said Alan Levenson, economist with T. Rowe Price in Baltimore.

"People will feel more sanguine about dollar-denominated assets" if the banking reforms begin to bite, Ms. Greenberg said.

But both Ms. Greenberg and Mr. Levenson remained skeptical about the depth and comprehensive nature of the proposed reforms.

"I think we're going to trade much more off of global equity markets,"

U.S. CREDIT MARKETS

added Mr. Levenson. Recently, Treasuries have moved in the opposite direction as stocks, receiving a continued flight-to-quality bid amid the crisis.

"At this point if stocks settle lower" there is "a very real possibility we could grind higher," said Mike Purdy, a cash trader with Commerzbank AG. He added President Bill Clinton's political troubles might weigh on stocks and push Treasuries higher.

The House Judiciary Committee voted Friday to release videotapes of Mr. Clinton's Aug. 17 grand jury testimony. The tapes will be released to television Monday, which may add to the administration's embarrassment.

Little in the way of economic data will be released during the coming week. On Thursday, durable goods or-

ders for August will be released.

Gwen Wagner, economist with T. Rowe Price, expected no change to the rate of 1.0 percent. "The market's beginning to look for weakness, so a greater-than-expected increase in durables would weigh on Treasuries," she said.

On Friday, data on personal income and consumption for August will be released. Ms. Wagner was expecting gains of 0.5 percent to 0.6 percent in income, and added, "I think the data at least for income are in the market."

Among other data due in the coming week, new jobless claims for the week ended Sept. 19 are estimated to have totaled 307,000, up from 299,000 a week earlier. The final number of second-quarter gross domestic product is expected to be 1.7 percent, barely changed from the previous second-quarter GDP growth estimate.

But Dana Johnson, managing director and head of economic research at First Chicago Capital Markets, said the market has been paying scant attention to the domestic U.S. economic data and that trend would probably persist next week.

"The focus will be volatility in the global financial markets. It will be the debate about the Fed," he said. "Those two issues will probably drive our credit markets next week."

He said trading activity was likely to be subdued Monday because of the Jewish New Year holiday, Rosh Hashanah. (Market News, Bloomberg, Reuters)

A Thai Borrower Dares to Come to Market

\$300-Million Issue for State Utility Will Be Partially Guaranteed by the World Bank

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Figures as of close
of trading Friday, September 18

This table shows the performance of Hedges-fund based funds through Friday and includes the top and bottom 10 funds as of March 31, 2000. There are roughly 4,130 funds in the fund industry.

Group returns are shown in bold face, with individual fund returns in each group indented below. Funds that are not part of a group are not indented.

NAV is the net asset value, i.e. the portfolio value divided by the number of shares outstanding, as reported by the fund through Friday. NAV increases or decreases at the end of each trading day, changing also the variation from the previous Friday.

Name field footnotes: - = available only through n contractual plan; - n: no front-end load or contingent deferred sales load; - f: fund assets are used to pay fund expenses; - d: fund has a deferred sales load or contingent deferred sales load may apply; i: footnotes p and r apply.

Price field footnotes: - e: capital gains distributions; - p: previous day's quotation; - s: stock divided or split; - n: not an dividend.

SHORT COVER

Seoul Eases Stance on Bank Jobs

SEOUL (AFP) — South Korea's financial watchdogs wavered Sunday in their tough stance on job cuts after bank unions threatened to begin a crippling strike next week over the issue.

Lee Hun Jae, head of the powerful Financial Supervisory Committee, said that banks would be allowed to reduce their work forces by less than 35 percent. "Banks have already cut their personnel by up to 30 percent so far this year," he said. The agency had earlier ordered that nine weak banks idle up to 50 percent of their workers.

Philippine Air Urged to Find Solution

MANILA (AP) — President Joseph Estrada and Philippine Airlines employees urged the airline's management and unions Sunday to reach a compromise to prevent the scheduled closure of Asia's oldest commercial airline.

The cash-strapped airline announced a decision Thursday to close after leaders of its largest union rejected a management offer of 20 percent of the company's stock and three seats on its board in exchange for a 10-year suspension of their collective bargaining agreement.

Sime Darby Reports Loss for Half

KUALA LUMPUR (Bloomberg) — Sime Darby Bhd., one of Malaysia's largest and most diversified companies, posted its first annual loss in two decades after setting aside 1.44 billion ringgit (\$380.9 million) for losses in its banking unit, Sime Bank Bhd.

Sime Darby said it lost \$40.9 million ringgit, or 23.3 sen a share, for the year ended June 30. Sime Darby earned \$15.4 million ringgit a year earlier.

Alcatel Prepares Defense to Suit

PARIS (Reuters) — Alcatel SA was preparing its defense Sunday to a class action suit brought by lawyers for former stockholders of DSC Communications Corp., which was recently acquired by the French telecommunications company.

The class action complaint was filed in U.S. federal court in



A bank worker fearing layoffs weeping at a Seoul rally.

New York, claiming Alcatel directors had artificially inflated the market price of its shares by making misrepresentations and omissions of material facts concerning a slowdown and cancellation of orders by European, Russian and Asian customers.

The complaint also alleges that Alcatel directors learned about these facts in July 1998 but delayed disclosure until after the purchase of DSC was completed Sept. 8.

Montedison Net Rose 6.7% in Half

MILAN (Bloomberg) — Montedison SpA, the Italian energy, food, chemicals and drug company, said first-half 1998 profit rose 6.7 percent, lifted by income from its food, agricultural and chemical units and lower debt.

Montedison, controlled by Compagnie SpA, earned 271 billion lire (\$161.6 million), or 47.4 lire a share. Sales grew 5.7 percent, to 12.3 trillion lire.

Brazil Needs Some Breathing Space

International Rescue by IMF Hotly Debated as Time Runs Out

By Carl Gewirtz
International Herald Tribune

PARIS — For many analysts and financial experts, the epicenter of world financial markets now sits in Brazil. Either it withstands the pressures that have been building for weeks, they say, or it caves in, devalues its currency and spreads turmoil that inevitably will engulf the United States.

With short-term interest rates in Brazil for the past week at an unsustainable 50 percent, the outflow of capital has slowed to about \$2.5 billion from the previous week's level of some \$6 billion.

But this really provides no breathing space for a country that ordinarily needs to raise the equivalent of \$30 billion per month to service its debt and finance its operations.

In fact, given the calendar of scheduled debt redemptions, Avinash Persaud at J.P. Morgan & Co. in London estimates that Brazil will need to find the equivalent of \$85 billion between now and mid-November.

The betting is running high that this cannot be done without an international rescue organized by the International Monetary Fund.

However, economists are deeply split over whether such lending is desirable and whether it could succeed. Charles Wyplosz of the Graduate Institute of International Studies in Geneva, in an

article appearing Monday on this newspaper's editorial page, argues that it would be a mistake.

Jim O'Neill at Goldman, Sachs & Co. in London says that "the situation in Brazil is the same as it was in Thailand. The currency is at the wrong price and the government doesn't want to tighten fiscal policy. Giving money to them won't do anything but buy them time and waste more money."

Mr. Persaud concludes that the amount of money needed to ensure a successful outcome in Brazil is too large to be politically feasible.

John Lipsky at Chase Manhattan Bank in New York doubts whether the run-up to the Oct. 4 presidential election the Brazilian government could agree to the conditions the IMF would likely want to set for such a loan.

Moreover, he insists that "no amount of external funding can solve Brazil's problem so long as domestic investors have no confidence" and are dumping their own currency.

Like Mr. Persaud, he assumes Washington will attempt to provide indirect relief through a reduction in U.S. interest rates.

But a sign of just how confused estimates of the current situation are: The dollar sagged on signs that U.S. rates were likely to be cut, and sagged again on indications that interest rates would not be lowered.

Early last week, markets were rife

with expectations that U.S. interest rates would be cut. That would lower the remuneration on deposits and that prospect eroded the currency's appeal. The dollar's subsequent effort to recover aborted on indications that rates would not be cut, causing equity prices to plummet.

By week's end, the dollar was essentially unchanged versus the Deutsche mark. After having traded between a low of 1.676 DM and a high of 1.7071 DM, it finished the week at 1.695 DM.

The price on money-market futures contracts shows that a three-quarter percentage point decline in short-term U.S. interest rates is expected by next February and analysts' views on where the dollar will trade versus the mark vary according to views on whether Germany will also reduce its interest rates.

Those who see no imminent cut in European rates, like Mr. O'Neill and Mr. Persaud, see the dollar heading toward 1.60 DM by year-end. Mr. Lipsky sees European rates forced down as the global financial crisis begins to slow growth and he expects the dollar to be not much changed.

At Morgan Stanley in London, Ravi Bulchandani sees the dollar rate cut already fully priced into the currency's level and expects any real weakness to be resisted by the Europeans, who would respond with their own rate cuts. He expects the dollar to test its year's high of 1.85 DM.

BRAZIL: Financial Rubicon

Continued from Page 1

Wednesday that many of its members would lead vast sums to Brazil if asked.

But it is unclear whether all these gauzy promises will help calm markets unnerved by Russia's default on its debt last month and worries about Brazil's own looming debt obligations — about \$70 billion in short-term debt comes due this month and next.

The offers of aid have gone unaccepted by President Fernando Henrique Cardoso, who is running in an Oct. 4 election and is trying to demonstrate that his government can turn around the country's fortunes with its own policy moves — such as jacking up interest rates to 50 percent — to make Brazilian investments more attractive.

Many market analysts fret that investor confidence in Brazil could evaporate quickly without a formal IMF package. The country's stock market has swung wildly in recent days as hopes for international loans soar and ebb.

What nobody questions is that a financial debacle in Brazil, especially now, could produce a disastrous impact far beyond the country's borders. Among U.S. government and IMF officials, the fear is that a collapse in Brazil's currency, the real, could trigger a bout of financial "contagion" that would dwarf almost everything that has come before.

Argentina, which sells about one-third of its exports to Brazil, would be vulnerable to a massive flight of capital should its giant neighbor falter. Strange as it might seem, those two tumbling dominoes could deal a crowning blow to Hong Kong, because the Hong Kong dollar is rigidly linked to the U.S. dollar in the same manner that the Argentine peso is — and the result would almost certainly be a new downward spiral in Asian markets.

Such a nightmare scenario "is on people's minds. It has to be," said John Bootman, director of the IMF's Policy Development and Review Department.

The effort to stave off that possibility has become daunting in recent weeks. About \$13 billion has flowed out of Brazil this month, although the pace diminished late last week to a couple of hundred million dollars a day. Ecuador

was forced to devalue its currency last Monday, and Colombia did the same less than two weeks before.

Fueling those developments was a general staidness from emerging markets after the Russian default and an announcement by Malaysia earlier this month that it was slapping controls over the flow of capital across its borders.

"These unilateral actions raised fundamental questions in the eyes of many lenders and investors about what the rules are internationally," said Charles Dallara, managing director of the Institute of International Finance, an organization of banks and other financial institutions that invest in emerging markets. "We have a new generation of fund managers who pull money in from institutional investors and retail investors — and they're saying, 'If this is what emerging markets are about, why do I need it?'"

Alarmed by the seemingly indiscriminate dumping of emerging-market stocks and bonds, Washington has sought to coalesce the markets that the Latin Americans, with their broad commitment to market-oriented economic reform, have no business being lumped in with Russia.

At a special IMF conference of Latin finance ministers earlier this month, Fund officials lauded the region for its economic accomplishments — Mexico's budgetary austerity, for example; Argentina's rock-solid currency; Brazil's industrial restructuring and low inflation. But the trouble is, Brazil in particular shares some of the fiscal problems that got Moscow into trouble, even though it also enjoys many strengths — such as a relatively strong banking system — that set it well apart from Russia. Brazil's budget deficit is more than 7 percent of gross domestic product, and the government has huge short-term debts coming due.

With its markets under selling pressure and the government forced to raise interest rates, Brazil now faces the same sort of vicious cycle Russia did — borrowing at ever-higher rates to pay off debt coming due. The higher borrowing costs only add to the deficit and make investors even more unwilling to keep their money in the country.

"It's a question of confidence," said Citicorp's Mr. Rhodes. If Brazil can swiftly convince investors that it is not going to go the way of, say, Indonesia or Thailand, it can reap the advantages of a virtuous cycle as interest rates come down and the fiscal outlook improves.

All that may happen after the election, if Mr. Cardoso — who enjoys a big lead in polls — is returned to office and, with the support of the IMF, begins implementing a major pruning of the budget that he has been hinting at.

But the markets, which have seen Brazil's Congress thwart one budgetary initiative after another, are skeptical.

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ARRESTA ADMINISTRATIE ANTIOOR B.V. (formerly Public Administratie Antioor B.V.) Amsterdam, 17 September, 1998

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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, September 18

Stocks	Div	Yld	Sales	100s	High	Low	Close	Chgs
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Section 1: Personal Information

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Section 2: Employment Information

Employer: _____

Position: _____

Start Date: _____

End Date: _____

Section 3: Education Information

Level: _____

Institution: _____

Graduation Date: _____

Section 4: Financial Information

Annual Income: _____

Assets: _____

Liabilities: _____

Section 5: Health Information

Current Health: _____

Medical History: _____

Section 6: Social Information

Marital Status: _____

Spouse Name: _____

Section 7: Legal Information

Legal Name: _____

Signature: _____

Section 8: Other Information

Comments: _____

DENNIS THE MENACE



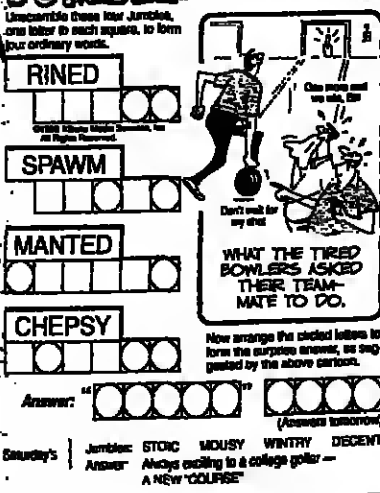
PEANUTS



CALVIN AND HOBBS



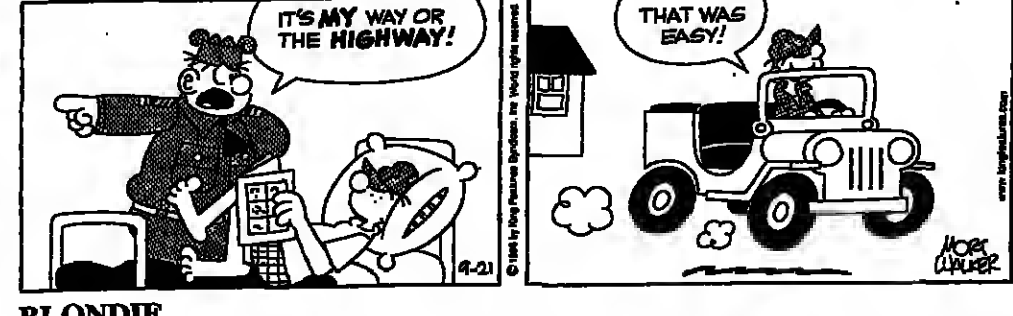
JUMBLE, THAT SCRAMBLED WORD GAME

**GARFIELD**

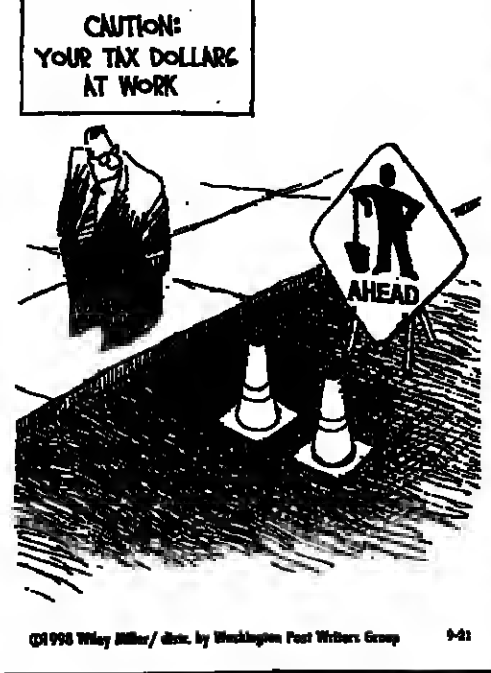
WIZARD of ID



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Western Edition

SPORTS

McGwire Clubs No. 65 Against the Brewers

The Associated Press
MILWAUKEE — Mark McGwire extended his major-league home run record to 65 on Sunday, pulling two ahead of Sammy Sosa of the Chicago Cubs.

McGwire's latest homer came off the left-hander Scott Karl in the first inning of the St. Louis Cardinals' game against the Milwaukee Brewers. On a 2-1 pitch,

BASEBALL ROUNDUP

he sent a drive into the left-field bleachers, setting off a scramble for the ball.

McGwire, who struck out four times Saturday night in the Cardinals' 7-4 victory over the Brewers, took a curtain call after giving the Cardinals a 2-0 lead. His homer followed a single by Fernando Tatís.

McGwire had an 18 at-bat homer drought after breaking Roger Maris's record Sept. 8, but now has three homers in his last five games. McGwire skipped batting practice Sunday after hitting nine homers in 18 swings during practice Saturday night.

McGwire broke a tie for the home run lead on Friday with a two-run blast off Milwaukee's Rafael Roque.

The homer Sunday was the 451st of McGwire's career, tying him with Carl Yastrzemski for 20th on the career list. He has 176 homers the past three seasons.

The Cardinals have six games to go, all at home, where he has homered 33 times. McGwire has 89 homers, 180 RBIs and 199 walks in 200 career games with the Cardinals.

McGwire also entered the game Sunday with an NL season-record 156 walks, tied for third-highest in history and 14 shy of Babe Ruth's major-league record of 170 set in 1923. Ted Williams is the only other player with more walks in a season, with 162 in 1947 and '49, and 156 in 1942.

Twins 3, Tigers 0 In Detroit, Benj Sampson pitched six shutout innings in his first major league start as Minnesota snapped a 10-game losing streak. Sampson (1-0) gave up just three hits with nine strikeouts and four walks.

The left-hander excited after escaping a bases-loaded, two-out threat in the sixth by getting a Tigers' rookie, Gabe Kapler, on a fly ball. Rick Aguilera pitched the ninth for his 37th save. Aguilera had blown save opportunities in the first two games of the series.

Travis Baptist pitched 1½ innings of one-hit ball in relief of Sampson. Eddie Guardado got the final out of the eighth.

Seth Greisinger (6-9) was victimized by two unearned runs and lost for just the second time in his last seven decisions. He allowed four hits with five strikeouts and two walks in seven innings.

Denny Hocking hit a solo homer in the ninth off Todd Jones to make it 3-0.

Astros 2, Pirates 0 Richard Hidalgo had his second two-homer game against Pittsburgh in three weeks and Shane Reynolds pitched seven shutout innings to lead the visiting Astros.

The victory was the 99th of the season for the NL Central champion Astros. Houston needs one triumph in its final five games for its first 100-victory season since beginning play in 1962.

Reynolds (19-8) gave up 10 hits but stranded eight runners. He struck out four, walked none and kept the Pirates hitless in 10 at-bats when runners were in scoring position.

Reynolds is 9-1 lifetime with a 2.63 ERA against the Pirates, who lost the season series to Houston, 9-2. Reynolds will go for his 20th victory either Saturday or Sunday at home against the Chicago Cubs.

Indians 5, Royals 3 In Cleveland, Bartolo Colon won for the first time in more than a month and Einar Diaz drove in a



Mark McGwire of the St. Louis Cardinals watching his 65th home run of the season take flight on Sunday.

season-high three runs as the Indians defeated Kansas City.

Colon (14-8) had been 0-2 in four starts since his previous victory on Aug. 17. He allowed one run and seven hits in seven innings, striking out nine.

The right-hander is 5-4 with a 5.66 ERA since he was the winning pitcher in the All-Star game on July 7. Mike Jackson pitched a scoreless ninth for his 40th save.

Diaz hit his second homer since being promoted from Triple-A Buffalo on Aug. 31. He lofted a 3-2 pitch from Pat Rapp (12-13) into the left-field seats for a two-run shot in the fourth that put Cleveland ahead 3-0.

Brian Giles drew a bases-loaded walk from Allen McDill to make it 4-0 in the fifth.

Jeremy Giambi hit a solo homer in the

Royals sixth, a 418-foot (127-meter) shot to right-center. Johnny Damon hit an RBI single in the Royals seventh and Larry Sutton singled home a run in the eighth, making it 4-3.

Travis Fryman hit his 28th homer, leading off the Indians eighth.

Phillies 6, Expos 3 Paul Byrd pitched 6½ strong innings and Wendell Magee Jr. hit a key two-run single as host Philadelphia defeated Montreal.

Byrd (5-2) tied a season high with seven strikeouts in getting his third straight victory. He retired the first 10 Montreal batters and gave up five hits.

Trailing 2-1 in the sixth, the Phillies loaded the bases against Dustin Hermanson (14-11) on a walk and singles by Scott Roien and Bobby Abreu. Magee followed with a two-run single to left

and Bobby Estalella hit a sacrifice fly.

The Expos cut the lead to 4-3 in the seventh on Michael Barrett's first major league home run.

Philadelphia's Desi Relaford added a two-run double in the eighth off Ugueth Urbina to make it 6-3.

Mets 5, Marlins 0 In New York, John Olerud homered and doubled, giving him a team record-tying nine straight hits, and Al Leiter pitched the Mets past Florida for a half-game lead in the NL wild-card race.

The Mets moved ahead of the Chicago Cubs, who played later at home against Cincinnati.

Leiter (17-5) won his fifth straight decision and set a career high for victories. He allowed five hits and struck out nine in eight innings.

For Holyfield, It's a Victory, But a Struggle

By Michael Madden
The Boston Globe

ATLANTA — Evander Holyfield looked like a 35-year-old boxer, and a rusty one at that.

In what was supposed to be a joyously easy homecoming for Atlanta's favorite son Saturday night, but 42,000 fans at the Georgia Dome watched in near disbelief as Holyfield struggled mightily before finally defeating the unknown Vaughn Bean in a unanimous 12-round decision.

"If I could have knocked him out in the first round, I would have," said Holyfield, who opened the fight with a flurry. "But I couldn't."

Holyfield did knock Bean down once — with 45 seconds left in the 10th round — but even that was controversial. Holyfield had pushed Bean into the ropes and, as the challenger had one arm draped on the ropes and the referee, Brian Garry, stepped in to separate the fighters, Holyfield uncorked a short and powerful right that sent Bean to the canvas.

"He hit me when I was down," said Bean. Butch Lewis, Bean's promoter, was so incensed at the move that he jumped onto the ring apron and screamed at Garry, but to no avail.

Garry saw it this way: "Bean was pushed into the ropes and I stepped in to separate them, but Evander was already in the process of delivering his right hand. It was a knockdown."

But maybe the question that should be asked is, "Is Holyfield on the downward slope after this performance?" If anything, this bout may have showed how much Mike Tyson has slid, because Holyfield looked far from the fighter he was in his two easy victories over Tyson.

Perhaps it was Holyfield's experience that carried the day, because the champ took the seventh, eighth, and ninth rounds, although he did next to nothing in the first two minutes of each round.

But Holyfield knew enough to attack in the final 30 seconds of each round, and he took all three with late flurries.

But in the 12th round, when the Georgia fans were screaming for a knockout, Holyfield was spent. So much so that Bean took the round, leaving Holyfield to answer the obvious question.

"No," Holyfield said, "I wasn't overconfident." Just old.

■ Tyson Must Face Psychiatrist

A psychiatrist must gauge Mike Tyson's mental fitness before he will be allowed to box again, the Nevada Athletic Commission decided Saturday, more than a year after Tyson was banned from the ring for hiding off part of Holyfield's ear. The Associated Press reported from Las Vegas.

Tyson was at times testy during the reinstatement hearing, but ultimately contrite as he pleaded for his license, telling commissioners he was "so sorry" and that the ban had left him all but broke. He said he was a changed man.

Tyson will pick from three psychiatrists of the commission's choosing for an examination within a week. Commissioners are expected to approve Tyson's license if he is found mentally fit to fight. Another hearing was scheduled for Oct. 3.

"If they say he's normal and can fight again, then we have the responsibility to maybe, probably, license him to fight again," the commission chairman, Elias Chanen, said after the decision was announced.

Packers Stride Past Bengals as Defense Smothers O'Donnell

The Associated Press
CINCINNATI — Reggie White and his buddies on the Packers' defense ruined Carl Pickens's party plans.

Green Bay clamped down on Neil O'Donnell — the NFL's most accurate thrower after two games — and neutralized Corey Dillon as the Packers ground out a 13-6 victory over the Cincinnati Bengals on Sunday.

Even though their offense struggled without a consistent running game, the Packers improved to 3-0 for the second time in three years. They also opened their Super Bowl season of 1996 with three victories.

Brett Favre threw a touchdown pass,

extending his streak to 17 consecutive games with at least one, and Ryan Longwell remained perfect in six field-goal attempts this season, hitting from 30 and 35 yards.

But it was the Packers' immovable defensive front that prevented the Bengals (1-2) from making Pickens's prediction come true.

The receiver had boasted at midweek that the Bengals would beat the Packers and then celebrate with a big party in their locker room a day later. Pickens had six catches for 58 yards, but no big plays.

O'Donnell, who came into the game with a 72 percent completion rate that was the best in the league, completed

only 16 of 30 passes for 151 yards and was sacked three times. The Packers dropped two potential interceptions and had another nullified by penalty.

Green Bay also stopped O'Donnell cold on two late possessions to preserve

NFL ROUNDUP

the victory. The Bengals got the ball back at their 46 with 1:53 to play, but O'Donnell threw three consecutive incompletions to end it. Dillon managed only 28 yards on 16 carries.

Jets 44, Colts 6 At East Rutherford, New Jersey, with Curtis Martin churning out 144 yards through gaping holes

and Vinny Testaverde throwing four short passes that turned into touchdowns, the New York Jets got their first victory of the season, routing the Indianapolis Colts 44-6.

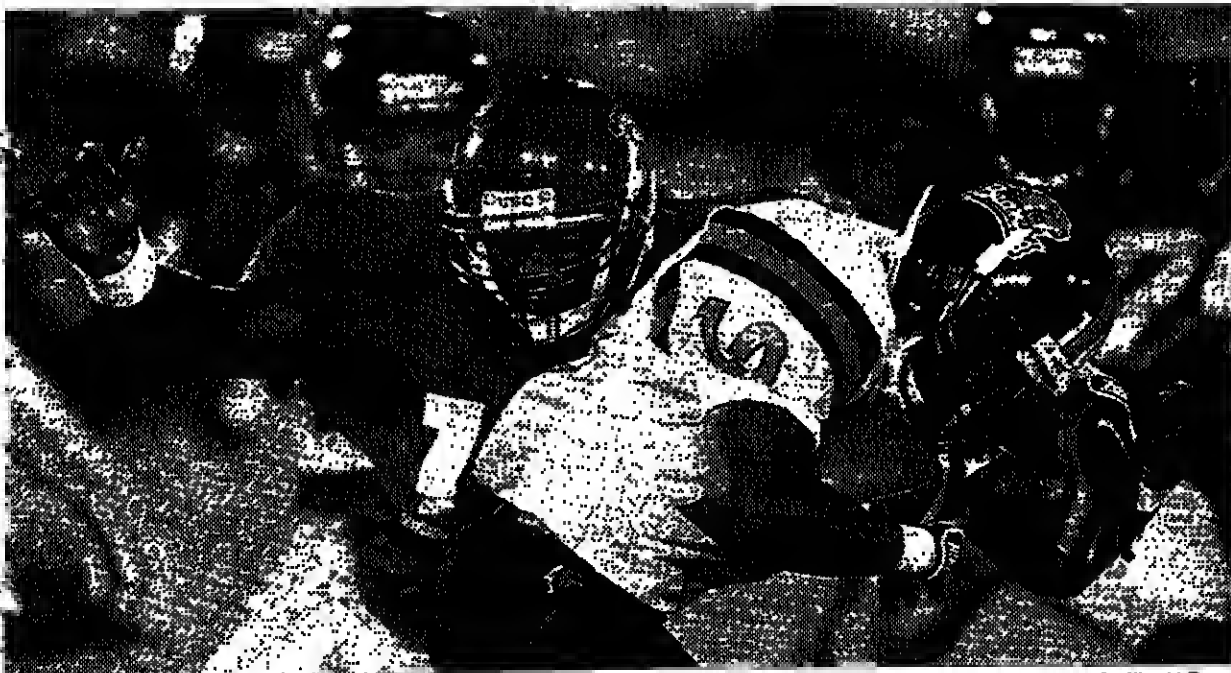
Martin, the high-priced running back signed away from New England, went more than 4,000 yards rushing for his career. He showed the power, speed and moves the Jets coveted in signing him to a \$36 million, six-year contract.

His backup, Leon Johnson, also excelled, scoring on an 82-yard pass play, a 16-yard run and a 1-yard dive as the Jets (1-2) rushed for 302 yards, second most in team history.

Testaverde took advantage of his chance to start for Glenn Foley, out injured, by getting his second career four-touchdown game. None of the passes traveled more than 10 yards. The receivers did the rest of the work.

While Testaverde, acquired as a free agent after being cut by Baltimore, had a strong game, Peyton Manning, the league's top overall draft pick — again struggled. He threw 20-for-44 for 193 yards and was intercepted twice.

A sloppy first quarter was punctuated by Martin's two fumbles, both recovered by teammates. It was Johnson, Martin's backup, who made the most



Oregon State's Tim Alexander being roped in by USC's Jason Steen. Southern California triumphed, 40-20.

Tennessee Nips Florida in Overtime

The Associated Press
Jeff Hall's 41-yard field goal in overtime lifted Tennessee (2-0, 1-0 Southeastern Conference) to a 20-17 victory, its first over Florida in six years.

Florida (2-1, 0-1 Southeastern Conference) failed to extend the overtime when Collins Cooper was wide left on a 32-yard field goal attempt, sending a Neyland Stadium-record crowd of

Kyle Kipps with 5:27 left and visiting LSU capitalized on four Auburn turnovers.

No. 8 Penn St. 20, Pittsburgh 13 Kevin Thompson threw a 60-yard scoring pass to Chaffie Fields in the third quarter to help Penn State (3-0) beat the host Panthers (1-1).

No. 9 Washington 20, Brigham Young 10 In Seattle, Toure Butler scored on a 98-yard kickoff return and a 35-yard fumble recovery as Washington won its 13th straight home opener.

No. 10 Virginia 20, Clemson 18 Todd Braverman hit a 30-yard field goal with 49 seconds left to lift host Virginia (3-0, 1-0 ACC) over Clemson (1-2, 0-1).

No. 11 Florida St. 63, Duke 13 Host Florida State rebounded from its stunning loss last week to N.C. State by routing Duke.

No. 12 Georgia 16, Wyoming 9 In Athens, Georgia, Champ Bailey turned a short pass into a 51-yard touchdown and made a spectacular, one-handed interception as the Bulldogs struggled to beat Wyoming.

No. 13 Syracuse 70, Rutgers 14 Roh Konrad ran for three touchdowns and Donovan McNabb tied the Big East career record for TD passes (61) as the host Orangemen (2-1, 1-0) ran up the second-highest point total in their history.

No. 14 Wisconsin 52, UNLV 7 In Madison, Wisconsin, Ron Dayne became Wisconsin's career rushing leader by gaining 108 yards on 13 carries.

No. 15 Colorado 25, Utah St. 6 In Boulder, Colorado, Mike Moecheith threw two touchdown passes to Darrin

Chiaverini, and Ben Kelly returned a punt 68 yards for another score.

No. 16 Arizona 35, Iowa 11 In Tucson, Arizona, Truag Camidate and Kelvin Eason each rushed for a pair of touchdowns and Arizona's defense shut down Iowa for most of the game.

No. 17 Texas A&M 24, Southern Miss 6 Dante Hall scored two touchdowns for visiting Texas A&M. Two plays after entering the game late in the first half, Hall broke four tackles and then slipped by one last defender on a 44-yard TD run that gave A&M a 14-0 lead.

No. 18 Southern Cal 40, Oregon St. 20 In Los Angeles, Chad Morton rushed for 123 yards and a late touchdown as Southern California scored 17 points in the final two minutes.

No. 19 Virginia 42, Maryland 20 Marc Bulger passed for 293 yards and three TDs and Amos Zereoue rushed for 135 yards and two scores to lead host West Virginia (1-1) over Maryland.

Baylor 33, No. 20 M.C. State 30 In Waco, Texas, Baylor's James Calvin blocked Kent Passingham's 39-yard field goal attempt with four seconds left and the Bears held on.

No. 22 Oregon 56, San Jose St. 3 In Eugene, Oregon, Akili Smith threw three TD passes and Michael Fletcher and Rashad Bauman scored on long returns as Oregon handed San Jose State its worst loss in 30 years.

Oklahoma St. 42, No. 25 Mississippi St. 23 Tony Lindsay ran for two touchdowns and threw for 201 yards as host Oklahoma State beat Mississippi State.

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WORLD ROUNDUP

Russian Triumphs

CYCLING Andrei Zintchenko of Russia and the Vitalicio team captured the 15th stage of the Tour of Spain on Sunday, the racer's second stage victory in the race this year.

Zintchenko, who won the 13th stage, edged past Daniel Plaza of Spain and the Cofidis team to cross the finish line in 4 hours, 6 minutes and 7 seconds. The 180-kilometer (112-mile) stage Sunday from Zaragoza to the Castilian town of Soria was the last flat leg before the riders move to the mountains of northern Spain on Monday.

In the overall standings, Abraham Olano of Spain maintained a 35-second lead over Laurent Jalabert of France and a 51-second lead over Fernando Escartin of Spain. (AP)

Mantilla Overcomes Costa

TENNIS Felix Mantilla made it back-to-back titles at the clay-court Samsung Open in Bournemouth, England, on Sunday, with a 6-3, 7-5 victory over a fellow Spaniard, Alberto Costa.

The No. 3 seed took just 88 minutes to beat Costa, the No. 2 seed and 1996 champion. It was his first triumph over Costa in five matches.

The 24-year-old broke Costa's serve in the first and ninth games to take the opening set 6-3. He broke serve again early in the second set for a 3-1 lead but Costa broke back immediately to make it 3-2.

Mantilla sealed his victory when he broke Costa's serve for the second time in the set in the 12th game. (AP)

Henman Holds On to Cup

TENNIS The defending champion and No. 2 seed, Tim Henman of Britain, defeated the top seed, Yevgeny Kafelnikov of Russia, to capture the President's Cup on Sunday, 7-5, 6-4, in Tashkent, Uzbekistan.

Kafelnikov, the former French Open winner, broke Henman's serve in the seventh game of the first set but double-faulted four times in the 10th game to let Henman equalize and close the set with an overhead smash in the 12th game. (AP)

Finally, a Gold for Jarrett

COMMONWEALTH GAMES Tony Jarrett of Britain finally won a gold medal when he triumphed in the 110-meter hurdles Sunday at the Commonwealth Games in Kuala Lumpur.

A two-time silver and also bronze medalist at the World Championships, a runner-up twice at the last two Commonwealth Games and fourth-place finisher at the Barcelona Olympics, the 30-year-old Englishman edged Steve Brown of Trinidad by a tenth of a second in the final to finish in 13.47 seconds. (AP)

Brazilian Sets World Best in The Marathon

The Associated Press

BERLIN — Ronaldo da Costa of Brazil completed the fastest marathon in history Sunday, snapping a 10-year-old mark by running through the heart of Berlin in two hours, six minutes and 5 seconds.

The 28-year-old bettered the previous world best held by Ethiopia's Belayneh Densimo by 45 seconds while running at one of the world's fastest courses on a cool, sunny and windless morning. Densimo had recorded a 2:06:50 on April 17, 1988, in Rotterdam.

"I wanted to run under 2:08, but when I saw how good the conditions were I just went for it," said da Costa.

Da Costa broke to the front of the pack at the halfway point, then held off Josephat Kiprono of Kenya, who finished second with a time of 2:07:26.

Marleen Renders of Belgium captured the women's race in 2:25:22 for the third best time in the history of the Berlin marathon.

The Berlin event has grown in size in recent years and with 28,000 runners at the start is now the third largest city marathon behind London and New York.

"We're not sure why there has been such an increase this year, but it's a welcome surprise," said Stephane Franke, coordinator for the athletes.

Berlin has attracted some of the world's top distance runners because of its reputation for fast times. Sammy Lelei of Kenya had clocked the second fastest mark in history of 2:07:02 at the event three years ago.

Da Costa, who comes from the town of Descoberto 200 kilometers (120 miles) north of Rio de Janeiro, will earn \$200,000 for the victory. But the Brazilian, who has been running since he was 17, is now expected to command up to \$250,000 in appearance money at future marathons after his world best.

"This will make him a millionaire," said Luis Posso, da Costa's manager.

Da Costa was followed by three Kenyans coached by Gabriele Rosa, whose athletes have captured a dozen top marathons in the past year including Boston.

Behind Kiprono, Samson Kandie finished in 2:09:11, while Reuben Chebetich was fourth in 2:10:39.

In the women's race, Susann Chepkemei of Kenya was second in 2:28:18, and a three-time winner of the event, Poland's Renata Kokowska, followed in 2:31:53.

Mother, 38, Races to Gold

Heather Turland, a 38-year-old mother of four who only started running in her early 30s, led an Australian 1-2 in the women's marathon at the Commonwealth Games in Kuala Lumpur on Sunday. She finished in 2 hours, 41 minutes, 24 seconds.

Lisa Dick came home second, 24 seconds behind but ahead of Elizabeth Monghudi of Namibia, a one-time leader. Monghudi finished in 2:43:28.

"It's a dream come true," Turland said. "I never ever thought I'd win something like this."



Gaetano De Rosa of Bari, left, and Marcelo Salas of Lazio racing for the ball Sunday. The match ended 0-0.

Strikers at Top Clubs Prove Worth

Compiled by Our Staff From Dispatches

ROME — On a day when goals were hard to come by in Serie A, even from the penalty spot, three top strikers hit the target to keep their clubs tied for first place.

Filippo Inzaghi scored after eight minutes to lift defending champion Juventus of Turin past Cagliari, 1-0. AC Milan's German forward Oliver Bierhoff netted a second-half header as AC Milan edged Salernitana 2-1, and Argentine star Gabriel Batistuta had a goal and an assist for Fiorentina in its 2-1 victory at Vicenza in the second round Sunday.

Those are the only teams that have opened the season with two victories.

AS Roma had a chance to join that trio, but settled for a 0-0 draw at Empoli when Luigi Di Biagio — whose missed penalty against France sent Italy out of the World Cup at the quarterfinal stage — failed to connect from the spot with five minutes left.

Sampdoria of Genoa also had to be content with a draw, because Vincenzo Montella sent a penalty kick wide of the net in the 72nd minute with the score 1-1 against Perugia.

Elsewhere, AC Parma, a club many thought would challenge for the title, drew 0-0 at promoted Venezia. Parma has gone three games, including a UEFA Cup match last week, without scoring. And Lazio's highly-touted striker duo of Christian Vieri and Marcelo Salas was shut out for the second straight week in a scoreless draw against Bari.

Brazil's Marcio Amoroso registered the lone two-goal game, tying Bierhoff

for the league lead with three goals, in Udinese's 3-1 victory at 10-man Bologna.

Only 13 goals were scored in the afternoon's games, the lowest output since there were a total of eight in Week 8 of the 1991-92 season.

ENGLAND The Swedish international Fredrik Ljungberg scored his maiden Premier League goal on Sunday to help

EUROPEAN SOCCER ROUNDUP

Arsenal to a 3-0 victory over Manchester United at Highbury.

Arsenal led, 2-0, when Ljungberg, a second-half substitute, scored in the 84th minute to ensure the result. Arsenal became the first team in Premier League history to beat Manchester United in three successive league matches.

Manchester United midfielder Nicky Butt left his team one man short for the second time in as many matches when he was shown the red card for a serious foul in the 51st minute.

Butt, who was sent off in United's 3-3 tie with Barcelona in the European Champions League opener at Old Trafford on Wednesday, made an illegal tackle on Patrick Vieira in the penalty area.

He conceded a penalty in front of goal, which Arsenal missed to extend its lead to three, and left last season's runners-up with 10 men for 30 minutes.

FRANCE The striker Kaba Diawara scored twice, including an injury-time equalizer, to give the French league leaders Bordeaux a 2-2 draw at Olympique Marseille on Sunday.

Fabrizio Ravanelli and Eric Roy scored for Marseille, the Italian equalizing in the 43rd minute from a cross by Christophe Dugary and the midfielder putting Marseille in front in the 56th minute.

Bordeaux, which dropped its first points in six matches, went ahead against the run of play when Diawara scored with virtually his first chance from a 42nd-minute counter attack.

Diawara was on hand to beat Marseille's German goalkeeper Andreas Koepcke from close range after a fine low cross from the right by Sylvain Wilford.

NETHERLANDS Ajax Amsterdam wasted countless chances Sunday and could do no more than tie 1-1 with De Graafschap Doetinchem.

Ajax now lies tied for second with FC Utrecht, which drew 1-1 with Fortuna Sittard, and a point behind Feyenoord, which has the maximum 12 points from its four games.

Feyenoord can extend its league lead if it wins at PSV Eindhoven Tuesday night. The top-of-the-table clash was postponed from Sunday because of fears of clashes between rival fans.

The Ajax game was the first at home for the De Boer twins, returning from a two-month lay-off during which both refused to play for the club because they were dejected transfers.

Tijani Babangida missed three clear-cut chances for Ajax in the first half and an uncharacteristic goalkeeping error from Edwin van der Sar gave De Graafschap an undesired 1-0 lead on 21 minutes. (Reuters, AP)

Jimenez Wins Lancome by Chipping In On Last Hole

Reuters

SAINT-NOM-LA-BRETECHE, France — In an extraordinary finish, Miguel Angel Jimenez of Spain chipped in on the last hole Sunday to claim the Lancome Trophy.

The birdie earned Jimenez a two-stroke victory as two Americans faltered on the same hole.

David Duval, the U.S. Tour money-list leader, went into the pond on the 18th to double-bogey, while Mark O'Meara, the defending champion, missed a 6-foot (1.8-meter) putt to bogey.

Jimenez went to the 18th a stroke in front of the American pair, with his playing partner, Greg Turner of New Zealand, and Jarmo Sandelin of Sweden, who had hit a final round 63, both in the clubhouse.

When the Spaniard hit his tee shot under the grandstand it looked as if a playoff was likely. But after a free drop, Jimenez pitched over a bunker and into the hole.

His two-under-par 69 gave him a four-round aggregate 111-under-par 273 and his second win of the year after victory in the Turespana Masters, and the fourth of his career. Duval, O'Meara, Sandelin and Turner all finished two shots behind.

Nick Faldo of England fired a last-round 65 and finished one stroke behind the quartet who shared second place.

Jimenez, the No. 2 of the victorious European Ryder Cup team last year, garnered a rich haul of Ryder Cup points to fire his 1999 bid for Brookline, Boston, and take him to the top of Europe's table.

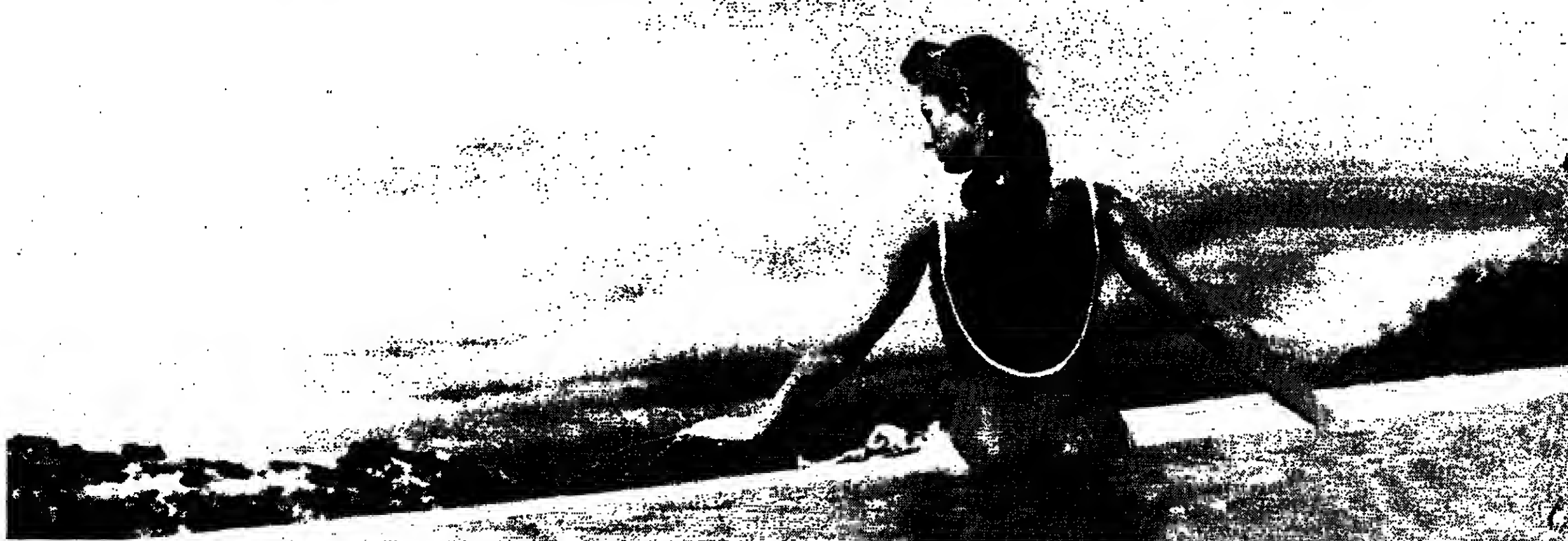
He began with two bogeys, then ran up an eagle and two birdies, dropped two more shots around the turn but charged back on top with three successive birdies. Bogeys on the 14th and 17th, though, left him needing his final-hole conjuring trick.

O'Meara, the reigning Masters and British Open champion, shot four birdies as he jockeyed for back-to-back Lancome victories. But the 41-year-old American lost his chance with a bogey on the 15th.

Sandelin had a remarkable afternoon, bouncing back from a threat of disqualification to equal the best round of the week with 63 after a back nine of 29 shots. Sandelin, who had mounted a vigorous campaign for O'Meara to hand back his 1997 Lancome trophy after a rules infringement, was himself put on the spot after the third round when Lee Westwood of England accused him of addressing a moving ball on a green. But after lengthy investigation, the referee decided not to disqualify Sandelin.

Colin Montgomerie's poor opening nine left the Scot trailing all day. He finished tied for 11th, six shots behind the winner.

That prevented Montgomerie from taking over from Westwood at the top of the European rankings, although the Englishman shared last place after a 77 for 292.



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